



A Component Unit of the State of Alaska

**Quarterly Unaudited
Financial Statements**

December 31, 2025

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This publication of Alaska Housing Finance Corporation. For comments or questions:
Website: <https://www.ahfc.us/investors/financials-history> or
E-Mail: finance@ahfc.us

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

COMBINED – ALL MAJOR PROGRAMS

As of December 31, 2025

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Assets					
Current					
Cash	\$ 25,414	\$ 7,765	\$ 75	\$ 31,703	\$ 64,957
Investments	409,366	-	105,653	32	515,051
Lease receivable	-	-	2,935	61	2,996
Accrued interest receivable	1,979	-	14,536	144	16,659
Inter-fund due (to)/from, net	(39,275)	(4,726)	46,196	(2,077)	118
Mortgage loans, notes and other loans, net	9,343	34	110,582	1,621	121,580
Other assets	3,293	13,706	-	2,694	19,693
Intergovernmental receivable	108	11,224	-	568	11,900
Total current	410,228	28,003	279,977	34,746	752,954
Non current					
Investments	23,935	-	23,632	-	47,567
Lease receivable	-	-	4,427	-	4,427
Inter-fund due (to)/from, net	-	1,423	-	-	1,423
Mortgage loans, notes and other loans, net	274,042	935	3,575,462	52,425	3,902,864
Capital assets - non-depreciable	2,430	13,167	-	15,707	31,304
Capital assets - depreciable, net	8,859	5,966	-	36,254	51,079
Other assets	2,240	245	2,354	20	4,859
OPEB asset	14,472	-	-	-	14,472
Total non current	325,978	21,736	3,605,875	104,406	4,057,995
Total assets	736,206	49,739	3,885,852	139,152	4,810,949
Deferred Outflow Of Resources	5,977	-	37,370	-	43,347
Liabilities					
Current					
Bonds payable	-	-	98,660	-	98,660
Short term debt	99,543	-	-	-	99,543
Accrued interest payable	-	-	9,758	-	9,758
Other liabilities	7,119	21,786	835	1,098	30,838
Intergovernmental payable	-	-	75	-	75
Total current	106,662	21,786	109,328	1,098	238,874
Non current					
Bonds payable	-	-	2,851,293	-	2,851,293
Other liabilities	2,471	239	627	17	3,354
Derivative instrument - interest rate swaps	-	-	26,755	-	26,755
Pension liability	33,945	-	-	-	33,945
Total non current	36,416	239	2,878,675	17	2,915,347
Total liabilities	143,078	22,025	2,988,003	1,115	3,154,221
Deferred Inflow Of Resources	438	-	8,413	49	8,900
Net Position					
Net investment in capital assets	11,289	19,133	-	51,961	82,383
Restricted by bond resolutions	-	-	674,642	-	674,642
Restricted by contractual or statutory agreements	193,359	50,547	-	86,064	329,970
Unrestricted or (deficit)	394,019	(41,966)	252,164	(37)	604,180
Total net position	\$ 598,667	\$ 27,714	\$ 926,806	\$ 137,988	\$ 1,691,175

See accompanying notes to the financial statements.

Alaska Corporation for Affordable Housing	Total December 31, 2025
\$ 10,525	\$ 75,482
-	515,051
3,264	6,260
145	16,804
(118)	-
-	121,580
459	20,152
-	11,900
14,275	767,229
-	47,567
-	4,427
(1,423)	-
24,123	3,926,987
4,740	36,044
-	51,079
1	4,860
-	14,472
27,441	4,085,436
41,716	4,852,665
-	43,347
-	98,660
-	99,543
-	9,758
812	31,650
-	75
812	239,686
-	2,851,293
190	3,544
-	26,755
-	33,945
190	2,915,537
1,002	3,155,223
3,043	11,943
4,740	87,123
-	674,642
32,961	362,931
(30)	604,150
\$ 37,671	\$ 1,728,846

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

COMBINED – ALL MAJOR PROGRAMS

For the Year Ended December 31, 2025

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Operating Revenues					
Mortgage and loan revenue	\$ 7,412	\$ -	\$ 88,468	\$ 874	\$ 96,754
Investment interest	7,074	176	5,502	317	13,069
Net change in the fair value of investments	618	-	1,698	1	2,317
Total investment revenue	7,692	176	7,200	318	15,386
Grant revenue	-	57,694	-	2,385	60,079
Housing rental subsidies	-	-	-	6,981	6,981
Rental revenue	5	-	-	6,643	6,648
Gain (loss) on disposal of capital assets	-	-	-	-	-
Other revenue	1,333	287	-	6	1,626
Total operating revenues	16,442	58,157	95,668	17,207	187,474
Operating expenses					
Interest	1,045	-	51,644	-	52,689
Mortgage and loan costs	1,993	-	5,702	71	7,766
Bond financing expenses	205	-	3,253	-	3,458
Provision for loan loss	301	6	1,141	36	1,484
Operations and administration	11,201	8,402	2,960	9,207	31,770
Rental housing operating expenses	-	149	-	6,812	6,961
Grant expense	-	51,814	-	-	51,814
Total operating expenses	14,745	60,371	64,700	16,126	155,942
Operating income (loss)	1,697	(2,214)	30,968	1,081	31,532
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	(1,583)	-	-	-	(1,583)
Interfund receipts (payments) for operations	106,112	11,551	(118,867)	1,136	(68)
Change in net position	106,226	9,337	(87,899)	2,217	29,881
Net position at beginning of year	492,441	18,377	1,014,705	135,771	1,661,294
Net position at end of period	\$ 598,667	\$ 27,714	\$ 926,806	\$ 137,988	\$ 1,691,175

See accompanying notes to the financial statements.

Alaska Corporation for Affordable Housing	Total December 31, 2025
\$ 311	\$ 97,065
125	13,194
-	2,317
<u>125</u>	<u>15,511</u>
-	60,079
-	6,981
35	6,683
-	-
12	1,638
<u>483</u>	<u>187,957</u>
-	52,689
-	7,766
-	3,458
578	2,062
236	32,006
-	6,961
-	51,814
<u>814</u>	<u>156,756</u>
<u>(331)</u>	<u>31,201</u>
-	(1,583)
68	-
<u>(263)</u>	<u>29,618</u>
<u>37,934</u>	<u>1,699,228</u>
<u>\$ 37,671</u>	<u>\$ 1,728,846</u>

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED – ALL MAJOR PROGRAMS

For the Six Months Ended December 31, 2025

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 6,100	\$ -	\$ 80,677	\$ 778	\$ 87,555
Principal receipts on mortgages and loans	11,027	-	163,399	2,494	176,920
Disbursements to fund mortgages and loans	(336,644)	-	-	-	(336,644)
Receipts (payments) for interfund loan transfers	292,260	-	(285,857)	(6,403)	-
Mortgage and loan proceeds receipts	276,898	-	-	-	276,898
Mortgage and loan proceeds paid to trust funds	(266,258)	-	-	-	(266,258)
Payroll-related disbursements	(14,050)	(3,649)	-	(5,797)	(23,496)
Payments for goods and services	(3,920)	(2,087)	-	(8,048)	(14,055)
Receipts from externally funded programs	-	18,555	-	10,807	29,362
Receipts from Federal HAP subsidies	-	20,504	-	-	20,504
Payments for Federal HAP subsidies	-	(23,423)	-	-	(23,423)
Interfund receipts (payments)	(22,694)	23,824	-	(1,149)	(19)
Grant payments to other agencies	-	(29,512)	-	-	(29,512)
Other operating cash receipts (payments)	(11,141)	(91)	(121)	6,024	(5,329)
Net cash receipts (disbursements)	(68,422)	4,121	(41,902)	(1,294)	(107,497)
Non-capital financing activities					
Proceeds from bond issuance	-	-	244,496	-	244,496
Principal paid on bonds	-	-	(88,245)	-	(88,245)
Payment of bond issuance costs	-	-	(1,448)	-	(1,448)
Interest paid on bonds	-	-	(57,076)	-	(57,076)
Proceeds from short-term debt issuance	99,192	-	-	-	99,192
Payment of short term debt	(128,187)	-	-	-	(128,187)
Contributions to State of Alaska or State agencies	(1,583)	-	-	-	(1,583)
Transfers from (to) other funds	120,433	-	(120,433)	-	-
Net cash receipts (disbursements)	89,855	-	(22,706)	-	67,149
Capital financing activities					
Acquisition of capital assets	-	(11,335)	-	(2,298)	(13,633)
Proceeds from direct financing leases	-	-	3,304	-	3,304
Net cash receipts (disbursements)	-	(11,335)	-	(2,298)	(10,329)
Investing activities					
Purchase of investments	(2,172,844)	-	(461,393)	(3,111)	(2,637,348)
Proceeds from maturity of investments	2,151,601	-	518,948	6,142	2,676,691
Interest received from investments	6,915	176	3,628	316	11,035
Net cash receipts (disbursements)	(14,328)	176	61,183	3,347	50,378
Net Increase (decrease) in cash	7,105	(7,038)	(121)	(245)	(299)
Cash at beginning of year	18,309	14,803	196	31,948	65,256
Cash at end of period	\$ 25,414	\$ 7,765	\$ 75	\$ 31,703	\$ 64,957

<u>Alaska Corporation for Affordable Housing</u>	<u>Total December 31, 2025</u>
\$ -	\$ 87,555
-	176,920
-	(336,644)
-	-
-	276,898
-	(266,258)
(168)	(23,664)
(62)	(14,117)
-	29,362
-	20,504
-	(23,423)
19	-
-	(29,512)
4,109	(1,220)
3,898	(103,599)
-	244,496
-	(88,245)
-	(1,448)
-	(57,076)
-	99,192
-	(128,187)
-	(1,583)
-	-
-	67,149
-	(13,633)
-	3,304
-	(10,329)
-	(2,637,348)
-	2,676,691
128	11,163
128	50,506
4,026	3,727
6,499	71,755
\$ 10,525	\$ 75,482

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED – ALL MAJOR PROGRAMS

For the Six Months Ended December 31, 2025

(in thousands of dollars)

	<u>Administrative Fund</u>	<u>Grant Programs</u>	<u>Mortgage and Bond Funds</u>	<u>Other Funds and Programs</u>	<u>Total Programs and Funds</u>
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 1,697	\$ (2,214)	\$ 30,968	\$ 1,081	\$ 31,532
<i>Adjustments:</i>					
Depreciation expense	459	220	-	2,618	3,297
Provision for loan loss	301	6	1,141	36	1,484
Net change in the fair value of investments	(618)	-	(1,698)	(1)	(2,317)
Interfund receipts (payments) for operations	106,112	11,551	(118,867)	1,136	(68)
Interest received from investments	(6,915)	(176)	(3,628)	(316)	(11,035)
Interest paid on bonds and capital notes	-	-	57,076	-	57,076
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	(32,020)	6	(113,558)	(3,553)	(149,125)
Net increase (decrease) in assets, liabilities, and deferred resources	(137,438)	(5,272)	106,664	(2,295)	(38,341)
Net operating cash receipts (disbursements)	\$ (68,422)	\$ 4,121	\$ (41,902)	\$ (1,294)	\$ (107,497)
Non-cash activities					
Deferred outflow of resources - derivatives	\$ -	\$ -	\$ 3,475	\$ -	\$ 3,475
Derivative instruments liability	-	-	(3,475)	-	(3,475)
Net change of hedge termination	-	-	244	-	244
Deferred outflow debt refunding	-	-	2,590	-	2,590
Total non-cash activities	\$ -	\$ -	\$ 2,834	\$ -	\$ 2,834

See accompanying notes to the financial statements.

<u>Alaska Corporation for Affordable Housing</u>	<u>Total December 31, 2025</u>
\$ (331)	\$ 31,201
-	3,297
578	2,062
-	(2,317)
68	-
(128)	(11,163)
-	57,076
(1,073)	(150,198)
4,784	(33,557)
<u>\$ 3,898</u>	<u>\$ (103,599)</u>
\$ -	\$ 3,475
-	(3,475)
-	244
-	2,590
<u>\$ -</u>	<u>\$ 2,834</u>

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FOR THE SIX MONTHS ENDED DECEMBER 31, 2025

1 AUTHORIZING LEGISLATION AND FUNDING

The Alaska Housing Finance Corporation (the "Corporation") or ("AHFC"), a public corporation and government instrumentality of the State of Alaska (the "State"), was created in 1971, and substantially modified in 1992, by acts of the Alaska State Legislature (the "Legislature") to assist in the financing, development and sale of dwelling units, operate the State's public housing, offer various home loan programs emphasizing housing for low and moderate-income and rural residents, and administer energy efficiency and weatherization programs within Alaska. The Corporation is a component unit of the State and is discretely presented in the State's financial statements.

Generally, the Corporation accomplishes its mortgage-related objectives by functioning as a secondary market for qualified real estate loans originated by financial institutions. The Corporation is authorized by the Legislature to issue its own bonds, bond anticipation notes and other obligations in such principal amounts as, in the opinion of the Corporation, will be necessary to provide sufficient funds for carrying out its purpose. Certain bonds issued to finance residences for qualified veterans are unconditionally guaranteed by the State. No other obligations constitute a debt of the State.

The non-mortgage related programs of the Corporation are funded through various grant and program agreements with the federal government's departments of Housing and Urban Development ("HUD"), Agriculture ("USDA"), Veterans Affairs ("VA"), Treasury ("DOT"), Energy ("DOE"), and Health and Human Services ("HHS"), funding from the State of Alaska, as well as capital and operating subsidies from the Corporation's own funds.

The Corporation has affiliates incorporated under the Alaska Nonprofit Corporation Act (AS 10.20) and provisions of the Alaska Housing Finance Corporation Act (AS 18.56), as amended. Each affiliate issues annual audited financial statements. Copies may be found at the following links, or please contact AHFC to obtain a copy. The affiliates are as follows:

- Northern Tobacco Securitization Corporation ("NTSC") incorporated on September 29, 2000, pursuant to House Bill No. 281 of the 2000 Legislature. <https://www.ahfc.us/about-us/subsidiaries/ntsc>
- Alaska Housing Capital Corporation ("AHCC") incorporated on May 23, 2006, pursuant to Senate Bill No. 232 of the 2006 Legislature. <https://www.ahfc.us/about-us/subsidiaries/ahcc>
- Alaska Corporation for Affordable Housing ("ACAH") incorporated on February 1, 2012, pursuant to House Bill No. 119 of the 2011 Legislature. <https://www.ahfc.us/about-us/subsidiaries/acah>
- Alaska Sustainable Energy Corporation ("ASEC") incorporated on November 5, 2024, pursuant to House Bill No. 273 of the 2024 Legislature. <https://www.ahfc.us/about-us/subsidiaries/asec>

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The financial reporting entity consists of AHFC and the blended component unit ACAH. The entities are closely related and financially integrated. The board of directors for AHFC and ACAH are the same and both entities have similar mission statements. ACAH is a legally separate entity from AHFC, but is considered a blended component unit of AHFC due to AHFC's operational responsibility for ACAH and the potential financial benefit or financial burden between AHFC and ACAH. AHFC is financially accountable for ACAH.

The other affiliates of AHFC are not closely related to, nor financially integrated with AHFC. There is no financial accountability for the other affiliates by AHFC. They are not component units of AHFC, hence they are not included in these financial statements. NTSC, AHCC and ASEC are component units of the State.

Neither AHFC nor the State is liable for any debt issued by NTSC, AHCC and ASEC. They are government instrumentalities of, but have a legal existence separate and apart from, the State. The State is additionally not liable for any debt issued by ACAH.

Basis of Accounting

The financial reporting entity utilizes the economic resource measurement focus and full accrual basis of accounting wherein revenues are recognized when earned and expenses when incurred. The financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles as set forth in GASB's pronouncements.

Basis of Presentation

The financial reporting entity is engaged in business-type activities that utilize enterprise funds. The basic fund financial statements are comprised of the Statement of Net Position (Exhibit A), the Statement of Revenues, Expenses and Changes in Net Position (Exhibit B), the Cash Flow Statement (Exhibit C) and the accompanying note disclosures. The supplementary section contains combining financial statements by program, purpose, or bond indenture.

The basic financial statements include a Total Programs and Funds column representing an aggregate of AHFC amounts, and a Total column for the financial reporting entity, an aggregation of both AHFC and ACAH amounts.

Major Funds and Component Unit

The basic fund financial statements present the major funds of AHFC and the major component unit ACAH.

Administrative Fund: This is the Corporation's primary operating fund. It accounts for all financial resources of the Corporation not accounted for in other funds.

Grant Programs: Resources provided to other agencies and individuals to develop and improve affordable housing units for lower income families, to assist in improving the energy efficiency of Alaska homes, and to provide tenant-based rental assistance programs for families in the private market (administered by the Corporation under contract with HUD).

Mortgage or Bond Funds: Provides resources to assist in the financing of loan programs or to fund Legislature appropriations.

Other Funds or Programs: Includes the Low Rent program and other affordable housing for low income families managed under contract with HUD, but owned by AHFC; as well as, the Home Ownership Fund and the Senior Housing Revolving Loan Fund.

Component Unit ACAH: A non-profit public benefit corporation that develops and operates affordable housing for Alaskans, utilizing various funding sources. ACAH is reported as a major component unit for the benefit of users of AHFC's financial statements.

Restricted Net Position

The restricted net position of the Administrative Fund consists of the Corporation's remaining commitments to the State (refer to Footnote No. 19 State Authorizations and Commitments for further details) and resources of the Affordable Housing Development Program. The remaining resources of the Administrative Fund are unrestricted.

The other financial activities of the Corporation are restricted by the Corporation's bond indentures, requirements from the Legislature, and statutory requirements or third-party agreements that restrict the use of resources. These restricted resources are recorded in various special purpose funds and accounts. Restricted funds with a net deficit balance are shown as having an unrestricted net position balance pursuant to reporting requirements.

When both restricted and unrestricted resources are available in a fund, it is the Corporation's policy to spend restricted funds to the extent allowed and only spend unrestricted funds when needed.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates. The major estimate for the Corporation is the allowance for loan losses.

Investments

All investments are stated at fair value.

Accrued Interest Receivable on Loans and Real Estate Owned

Interest is accrued based upon the principal amount outstanding. Accrual of interest income is discontinued on loans when, in the opinion of management, collection of such interest becomes doubtful. When payment of interest is provided for pursuant to the terms of loan insurance or guarantees, accrual of interest on delinquent loans and real estate owned is continued.

Loans and Allowances for Estimated Loan Losses

Mortgage loans are carried at their unpaid principal balances net of allowance for estimated loan losses. Once monies have been disbursed, the mortgage loans are recorded.

The Corporation provides for possible losses on loans on which foreclosure is anticipated. A potential loss is recorded when the net realizable value, or fair value, of the related collateral or security interest is estimated to be less than the Corporation's investment in the property less anticipated recoveries from private mortgage insurance, private credit insurance, and various other loan guarantees. In providing for losses, through a charge to operations, consideration is given to the costs of holding real estate, including interest costs. The loan portfolio, property holding periods and property holding costs are reviewed periodically. A general allowance is applied to the performing loan portfolio, and a specific reserve on individual non-performing. This can be modified. While management uses the best information available to make evaluations, future adjustments to the allowances may be necessary if there are significant changes in economic conditions or property disposal programs.

Real Estate Owned

Real estate owned consists principally of properties acquired through foreclosure or repossession and is carried at the lower of cost or estimated net realizable value. These amounts are included in other assets.

Depreciation

Depreciation and amortization of buildings, equipment, and leasehold improvements are computed on a straight-line basis over the estimated useful lives of the related assets. Estimated useful lives range from 3 to 40 years. The capitalization threshold is \$5,000.

Bonds

The Corporation issues bonds to provide capital for its mortgage programs and other uses consistent with its mission. The bonds are recorded at cost plus accreted interest and premiums, less discounts. Discounts and premiums are amortized using the straight-line method. Costs of issuance are expensed when incurred.

Deferred Debt Refunding Expenses

Deferred debt refunding expenses occur when new debt is issued to replace existing debt. The differences between the carrying value of the old debt and the resources used to redeem it are called deferred debt refunding expenses. The unamortized balances of these expenses are recorded as deferred outflows of resources. These expenses are amortized over the shorter of the remaining life of the old debt or the remaining life of the new debt.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System ("PERS") and additions to/from the PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits

Information about the Other Post-Employment Benefits ("OPEB") fiduciary net position of the PERS plans has been determined on the same basis as reported by PERS. The PERS information includes the valuation of the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences

The Corporation provides paid leave for jury duty, active military service and personal reasons. Paid active military leave is limited to five days. Personal leave accrues at a rate based on the employee's years of service. Employees of the Corporation may not accumulate more than 1,000 hours of personal leave at the end of each twelve-month period for use in the following twelve-month period. The Corporation does not recognize a liability for court leave or active military leave because it is paid when it occurs. The Corporation recognizes a compensated absences liability for accrued personal leave that has not been settled as of the measurement date. Additions to the liability include the total of accrued personal leave calculated at the pay rate of employees as of the measurement date, and the Corporation's portion of federal and state payroll taxes. Reductions of the liability include the total of personal leave used for time off, paid in cash or settled through contribution to a 457 Deferred Compensation Account.

Leases

The Corporation recognizes Right of Use Assets, Lease Liabilities, Lease Receivables and Deferred Inflow of Resources for lease contracts with terms greater than 12 months. The Corporation as a Lessee records the Right of Use Assets and Lease Liability, and as a Lessor, records Lease Receivable and Deferred Inflow of Resources, measured at the present value of future lease payments and receipts, respectively, discounted at the Corporation's incremental borrowing rate of 5%. Finance lease costs are recognized in two components, interest expense and amortization expense. As payments are received over the term of the lease, lease revenues are recognized in two components: interest revenue on lease receivable and revenue from amortization of deferred inflow of resources.

Derivative Instruments-Interest Rate Swaps

Subject to certain restrictions, the Corporation's Fiscal Policies allow it to enter into derivative financial instruments called interest rate swap agreements, or swaps. The Corporation enters into swaps with various counterparties to achieve a lower overall cost of funds for certain bond issuances. Under these agreements, the Corporation pays a fixed interest rate to a counterparty in exchange for a variable interest rate payment from that counterparty, or vice versa. All swaps are presented at fair value, with the change in fair value of hedgeable derivatives being recorded as deferred inflows of resources or deferred outflows of resources, and the change in fair value of investment derivatives being recorded as investment revenue.

Operating Revenues and Expenses

The Corporation is authorized to issue bonds to finance the purchase of mortgage loans made to borrowers and to fund other lawful activities of the Corporation. Operating revenues are primarily derived from interest income on mortgage loans and investments. Additionally, the Corporation's statutory purpose includes providing financial assistance programs for rental subsidies to tenants of various housing developments. The Corporation records all revenues from mortgages and loans, investments, rental activities, and externally funded programs as operating revenues. The primary costs of providing these programs are recorded as operating expenses.

Income Taxes

The Corporation is exempt from federal and state income taxes.

3 CASH AND INVESTMENTS

Cash consists of demand deposits, time deposits, and cash held in trust. The carrying amount of the Corporation's cash is restricted by bond resolutions, contractual agreements, and statutory agreements. A summary of the Corporation's cash is shown below (in thousands):

	<u>December 31, 2025</u>
Restricted cash	\$ 58,249
Unrestricted cash	<u>17,233</u>
Carrying amount	<u>\$ 75,482</u>
Bank balance	<u>\$ 77,240</u>

Investment Valuation

AHFC categorizes its fair value measurements within the fair value hierarchy established by Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

AHFC measures its investments using quoted market prices (Level 1 inputs).

Investment Maturities

The fair value of debt security investments by contractual maturity is shown below (in thousands). Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without penalty.

Investment Maturities					
	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	December 31, 2025
Securities of U.S. Government agencies and corporations	\$ 4,500	\$ 23,935	\$ -	\$ -	\$ 28,435
Commercial paper & medium-term notes	290,203	-	-	-	290,203
Corporate certificates of deposit	33,853	-	-	-	33,853
Guaranteed investment contracts	-	10,000	13,632	-	23,632
Money market funds	151,482	-	-	-	151,482
Total not including GeFONSI	<u>\$ 480,038</u>	<u>\$ 33,935</u>	<u>\$ 13,632</u>	<u>\$ -</u>	<u>\$ 527,605</u>
GeFONSI pool					<u>35,013</u>
Total AHFC investment portfolio					<u>\$ 562,618</u>

Restricted Investments

A large portion of the Corporation's investments, \$300,023,000, is restricted by bond resolutions, contractual agreements and statutory agreements. The remainder, \$262,595,000, is unrestricted.

Realized Gains and Losses

The calculation of realized gains and losses is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current period may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The net increase in the fair value of investments in the table below includes all changes in fair value (including purchases and sales) that occurred during the period. A summary of the gains and losses is shown below (in thousands):

<u>Original Amount</u>	<u>December 31, 2025</u>
Ending unrealized holding gain	\$ 4,995
Beginning unrealized holding gain	<u>5,137</u>
Net change in unrealized holding gain	(142)
Net realized gain (loss)	<u>2,459</u>
Net increase (decrease) in fair value	<u>\$ 2,317</u>

Deposit and Investment Policies

The Corporation utilizes different investment strategies depending upon the nature and intended use of the assets being invested. All funds are classified as trusted or non-trusted, and this classification determines the applicable investment guidelines used by staff when making investment decisions. Trusted funds are invested in accordance with their respective indentures or governing agreements. Non-trusted funds are governed by the terms outlined in the Corporation's Fiscal Policies and are typically invested to meet future projected funding need.

The following securities are eligible for investment under the Corporation's Fiscal Policies.

- Obligations backed by the full faith and credit of the United States;
- Obligations of U.S. government-sponsored enterprises ("GSEs") and federal agencies not backed by the full faith and credit of the United States;
- Obligations of the World Bank rated at least "AA" by S&P or "Aa2" by Moody's or "AA" by Fitch if maturing in excess of one year or "A-1" by S&P or "P-1" by Moody's or "F1" by Fitch if maturing in one year or less;
- Money market funds rated at least "AAm" by S&P or "Aa-mf" by Moody's or "AAmmf" by Fitch;
- Banker's acceptances and negotiable certificates of deposit of any bank, the unsecured short-term obligations of which are rated at least "A-1" by S&P or "P-1" by Moody's or "F-1" by Fitch and which is incorporated under the laws of the United States of America or any state thereof and subject to supervision and examination by federal or state banking authorities, or which is a foreign bank with a branch or agency licensed under the laws of the United States of America or any state thereof and subject to supervision and examination by federal or state banking authorities, or which is a foreign bank having a long-term issuer rating of at least "AA" from S&P or "Aa2" from Moody's or "AA" from Fitch;

- Commercial paper, including asset-backed commercial paper, rated at least “A-1” by S&P or “P-1” by Moody’s or “F1” by Fitch;
- Repurchase agreements (“repos”) where: the counterparty is designated as a primary dealer by the Federal Reserve and has a long-term debt rating of at least “A” by S&P or “A” by Moody’s or “A” by Fitch or a short-term rating of at least “A-1” by S&P or “P-1” by Moody’s or “F-1” by Fitch; collateral is pledged at a minimum level of 102%, valued on a daily basis with a one-business-day cure period; the term of such repurchase agreement is one week or less; a third-party custodian acting as the Corporation’s agent has possession of the collateral and holds such collateral in the Corporation’s name; the agreement is evidenced by standard documents published by the Securities Industry and Financial Markets Association (“SIFMA”); and the securities to be repurchased are obligations backed by the full faith and credit of the United States or obligations of U.S. government-sponsored enterprises and federal agencies not backed by the full faith and credit of the United States or obligations of the World Bank rated at least “AA” by S&P or “Aa2” by Moody’s or “AA” by Fitch if maturing in excess of one year or “A-1” by S&P or “P-1” by Moody’s or “F1” by Fitch if maturing in one year or less;
- Guaranteed investment contracts with a financial institution having outstanding unsecured long-term obligations rated, or an investment agreement rating of, at least “AA” by S&P or “Aa2” by Moody’s or “AA” by Fitch, or, if the term is one year or less, at least “A-1” by S&P or “P-1” by Moody’s or “F-1” by Fitch;
- Fixed and floating-rate notes and bonds, other than commercial paper, issued by corporate or municipal obligors and rated at least “AA” by S&P or “Aa2” by Moody’s or “AA” by Fitch if maturing in excess of one year, or at least “A-1” by S&P or “P-1” by Moody’s or “F1” by Fitch if maturing, or with a provision for investor withdrawal or put at par, in one year or less;
- Asset-backed securities, other than asset-backed commercial paper, rated at least “AA+” by S&P or “Aa1” by Moody’s or “AA+” by Fitch; and
- Investment pools managed by the State of Alaska, including the General Fund and Other Non-Segregated Investments (“GeFONSI”) pool.

Credit Risk

Credit risk is the risk of loss due to the failure of the security or backer. The Corporation mitigates its credit risk by limiting investments to those permitted in its Fiscal Policies and relevant governing agreements, diversifying the investment portfolio, and pre-qualifying firms with which the Corporation administers its investment activities.

The credit quality ratings of the Corporation’s investments as of December 31, 2025, as determined by nationally recognized statistical rating organizations, are shown below (in thousands), and do not include investments held by GeFONSI pool.

	S&P	Moody’s	Investment Fair Value
Securities of U.S. Government agencies & corporations, commercial paper (“CP”), medium-term notes, guaranteed investment contracts (“GIC”) & certificates of deposit (“CD”):	A-1+	P-1	\$ 55,727
	AA+	Aa1	23,935
	AA+	Aa3	13,632
	A-1	P-1	204,291
	A+	A2	10,000
	A-1	NA	23,686
	A-2	P-1	21,423
	NA	P-1	15,689
	NR	P-1	501
	A-2	P-2	6,989
	NR	NR	250
Money market funds (“MMF”):	AAAm	Aaa-mf	151,482
			<u>\$ 527,605</u>

Concentration Risk

Concentration risk is the risk of loss attributed to the magnitude of the Corporation's investments in a single issuer. Concentration limits are not established in the bond indentures and governing agreements for trust investments. The following table details the maximum concentration limits for non-trust investments as outlined in the Corporation's Fiscal Policies. Under certain conditions, the Fiscal Policies permit investments in excess of these limits. For more information, please see the Corporation's Fiscal Policies at: <http://www.ahfc.us/pros/investors/fiscal-policies>.

Investment Category	Category Limit as % of Total Portfolio	Issuer Limit as % of Total Portfolio
U.S. Government obligations	n/a	n/a
U.S. GSEs and agencies	n/a	35%
World Bank obligations	n/a	35%
Money market funds	n/a	n/a
Banker's acceptances, negotiable CDs	n/a	5%
Commercial paper	n/a	5%
Repurchase agreements	n/a	25%
Guaranteed investment contracts	n/a	5%
Corporate and municipal notes and bonds	n/a	5%
Asset-backed securities	20%	5%
State of Alaska investment pools	n/a	n/a

Investment Holdings Greater than Five Percent of Total Portfolio

The following investment holdings, summarized by issuer, include both investments that are governed by the maximum concentration limits of the Corporation's Fiscal Policies and trusted investments which have no established concentration limits. As of December 31, 2025, the Corporation had investment balances greater than 5 percent of the Corporation's total investments with the following issuers (in thousands).

Issuer	Investment Fair Value	Percentage of Total Portfolio	Investment Category
Morgan Stanley	\$ 86,384	15.35%	MMF
Invesco Ltd.	52,538	9.34%	MMF
	\$ 138,922		

Custodial Credit Risk

The Corporation assumes levels of custodial credit risk for its deposits with financial institutions, bank investment agreements, and investments. For deposits, custodial credit risk is the risk that, in the event of a bank failure, the Corporation's deposits may not be returned. For bank investment agreements and investments, custodial credit risk is the risk that, in the event of failure of the custodian or counterparty holding the investment, the Corporation will not be able to recover the value of the investment. As stated in the Corporation's Fiscal Policies, credit risk is mitigated by limiting investments to those highly-rated securities permitted in the Fiscal Policies and by pre-qualifying firms through which the Corporation administers its investment activities.

Of the Corporation's \$77,240,000 bank balance as of December 31, 2025, cash deposits in the amount of \$923,000 were uninsured and uncollateralized.

Interest Rate Risk

Interest rate risk is the risk that the market value of investments will decline as a result of changes in general interest rates. As stated in the Corporation's Fiscal Policies, for non-trust investments, the Corporation mitigates interest rate risk by structuring its investment maturities to meet cash requirements (including corporate operations), thereby avoiding the need to sell securities in the open market prior to maturity. For investments held in trust, investment maturities are structured to meet cash requirements as outlined in the bond indentures and contractual and statutory agreements.

The GeFONSI pool investment interest rate risk details are at the end of this footnote.

Modified Duration

Modified duration estimates the sensitivity of an investment to interest rate changes. The following table shows the Corporation's trusted and non-trusted investments (in thousands, net of GeFONSI holdings) with their modified duration as of December 31, 2025, in thousands:

Issuer	Investment Fair Value	Modified Duration
Securities of U.S. Government agencies and corporations:		
Federal agency pass through securities	\$ 28,435	3.843
Certificate of deposit	33,853	0.286
Commercial paper & medium-term notes:		
Commercial paper discounts	286,305	0.253
Medium-term notes	3,898	0.446
Guaranteed investment contracts	23,632	4.133
Money market funds	151,482	0.000
Portfolio modified duration	\$ 527,605	0.517

Investment in GeFONSI Pool

The Alaska State Department of Revenue, Treasury Division, has established various investment pools to manage funds for which the Commissioner of Revenue has fiduciary responsibility. The GeFONSI pool in which the Corporation participates is itself comprised of investment shares of the State's Short-term Fixed Income, and Intermediate-term Fixed Income investment pools. Assets in these pools are reported at fair value with purchases and sales recorded on a trade-date basis. Securities are valued each business day using prices obtained from a pricing service. The complete financial activity of the State's investment pools is shown in the Annual Comprehensive Financial Report (ACFR) available from the Department of Administration, Division of Finance.

The accrual basis of accounting is used for the investment income and GeFONSI investment income is distributed to pool participants monthly if prescribed by statute or if appropriated by state legislature. Income in the Short-term, Short-term Liquidity and Intermediate-term Fixed Income Pools is allocated to the pool participants daily on a pro-rata basis. The fair value of the Corporation's investment in the GeFONSI pool was \$35,013,000 as of December 31, 2025.

For additional information on interest rate risk, credit risk, foreign exchange, derivatives, fair value, and counterparty credit risk see the separately issued report on the Invested Assets of the Commissioner of Revenue at: <http://treasury.dor.alaska.gov/Investments/Annual-Investment-Reports.aspx>.

4 INTERFUND RECEIVABLE/PAYABLE

A summary of the interfund receivable/payable balance as of December 31, 2025, is shown below (in thousands):

		Due From					Total
		Administrative Fund	Grant Programs	Mortgage or Bond Programs	Other Funds or Programs	Alaska Corporation for Affordable Housing	
Due To	Administrative fund	\$ -	\$ 7,951	\$ -	\$ 2,733	\$ 118	\$ 10,802
	Grant programs	3,225	-	-	-	1,423	4,648
	Mortgage or bond programs	46,196	-	-	-	-	46,196
	Other funds or programs	656	-	-	-	-	656
	Total	\$ 50,077	\$ 7,951	\$ -	\$ 2,733	\$ 1,541	\$ 62,302

The balance due to the Mortgage or Bond programs from the Administrative Fund resulted primarily from monies belonging to these funds being deposited in an Administrative Fund account to obtain a greater rate of return.

The balance due to the Administrative Fund from Grant Programs, Other Funds or Programs, and ACAH resulted primarily from expenditures paid by the Administrative Fund on behalf of those programs, as well as an allocation of management and bookkeeping fees mandated by HUD.

The balance due from ACAH to the Grant Programs is the result of a repayable grant to ACAH for the purchase of land in 2013.

5 MORTGAGE LOANS, NOTES AND OTHER LOANS

A summary of mortgage loans, notes and other loans as of December 31, 2025, is shown below (in thousands):

	December 31, 2025
Mortgage loans	\$ 3,671,568
Multifamily loans	357,805
Other notes receivable	79,400
	4,108,773
Less: allowance for losses	(60,206)
Net mortgages, notes & other loans	\$ 4,048,567

Of the \$4,108,773,000 mortgage loans, notes, and other loans, \$121,580,000 is due within a year.

Other notes receivable include monies due to AHFC for various unconventional loan programs, monies remaining unexpended by grant recipients, and notes receivable due to ACAH of \$37,112,000. Included in the allowance for losses is \$12,989,000 for ACAH's notes receivable, bringing ACAH's net notes receivable to \$24,123,000.

Other supplementary loan information is summarized in the following table (in thousands):

	December 31, 2025
Loans delinquent 30 days or more	\$ 107,531
Foreclosures during reporting period	1,586
Loans in foreclosure process	9,402
<u>Mortgage-related commitments:</u>	
To purchase mortgage loans	\$ 102,973

6 INSURANCE AGREEMENTS

The Corporation has obtained private mortgage insurance, credit insurance, or guarantees on certain mortgages and loans. The agreements protect the Corporation to varying degrees against losses arising from the disposition of the related collateral obtained through foreclosure or repossession, as well as the costs of obtaining title to, maintaining, and liquidating the collateral. The Corporation is exposed to losses on disposition in the event the insurers or guarantors are unable or refuse to meet their obligations under these agreements.

7 LEASES

Lease Liability and Asset

As of December 31, 2025, the Corporation recognized a total \$1,333,000 Lease Liability, consisting of \$90,000 Current Lease Liability and \$1,243,000 Long term Lease Liability. Also recognized are \$1,784,000 Right-of-Use Asset and related accumulated amortization of \$560,000. The Corporation, as a Lessee, records the Right-of-Use Asset and Lease Liability at the present value of future lease payments, discounted at a weighted-average discount rate based on the Corporation's incremental borrowing rate of 5%, subject to annual reassessment.

The Corporation leases certain office facilities and equipment for various terms under long-term, non-cancelable operating lease agreements. The leases expire at various dates through 2041 and provide for renewal options ranging from one year to ten years. The Corporation included in the determination of the right-of-use asset and lease liabilities any renewal options when the options are reasonably certain to be exercised. The leases provide for increases in future minimum annual rental payments based on lease agreements subject to certain minimum increases.

Remaining obligations associated with these leases are as follows (in thousands):

<u>Date</u>	<u>Interest Due</u>	<u>Principal Due</u>
6/30/2026	\$ 63	\$ 89
6/30/2027	59	91
6/30/2028	55	96
6/30/2029	49	92
6/30/2030	45	71
2031 and thereafter	\$ 241	\$ 894

Lease Receivable

In 2007, the Corporation constructed a parking garage (the "Pacillo Parking Garage") in downtown Anchorage with its corporate assets. The Pacillo Parking Garage cost \$44,000,000 and was leased to the State of Alaska for use by its departments and agencies located in Anchorage.

The State has the option to purchase the Pacillo Parking Garage for \$1 after December 1, 2027, which is the end of the lease. In 2015, the Corporation issued its State Capital Project Bonds II, 2015 Series B and C, respectively, to partially refund its State Capital Project Bonds, 2007 Series A, which were originally issued in 2007 to finance the Pacillo Parking Garage.

As of December 31, 2025, the Corporation recognized a Lease Receivable valued at \$7,362,000, measured based on the discounted future lease payments at the Corporation's incremental borrowing rate of 5% subject to annual reassessment. The following table details the components of the Lease Receivable and shows the future minimum payments under the lease for the next two years (in thousands):

Future Minimum Payments Due	
<u>Twelve Months Ending December 31,</u>	<u>Total</u>
2027	\$ 3,304
2028	<u>3,303</u>
Gross payments due	6,607
Plus: interest amortization adjustments	<u>755</u>
Net lease receivable – Pacillo parking garage	<u>\$ 7,362</u>

The Corporation receives lease payments from leasing certain properties to a local charitable organization in the form of a monthly utility offset payment. The lease term commenced on April 1, 2009, and ended June 30, 2019. The Corporation opted to renew for an additional 10-year period, which terminates this lease in March 2029. As of December 31, 2025, the Corporation recognized a Lease Receivable of \$61,000 from this lease, measured at the present value of the expected future lease payments to be received during the lease term, discounted at a 5% incremental borrowing rate subject to annual reassessment.

ACAH receives lease payments from leasing various properties in Anchorage, Wasilla, and Fairbanks in the form of monthly and annual payments. The lease terms expire at various dates through 2078 and provide for renewal options of one year. As of December 31, 2025, ACAH recognized a Lease Receivable of \$3,264,000 measured at the present value of future lease receivable expected to be received during the lease term, discounted at the 5% incremental borrowing rate.

As of December 31, 2025, AHFC recognized a combined total Lease Receivable as follows (in thousands):

Lease Receivable	December 31, 2025
Pacillo parking garage	\$ 7,362
ACAH properties	3,264
Leases to charitable organizations	61
Total lease receivable	\$ 10,687

8 CAPITAL ASSETS

Capital assets activity for the six months ended December 31, 2025, and a summary of balances is shown below (in thousands):

Issuer	July 1, 2025	Additions	Reductions	December 31, 2025
Non-Depreciable Capital Assets:				
Land	\$ 22,411	\$ 11,335		\$ 33,746
Construction in progress	-	2,308	(10)	2,298
Total non-depreciable	22,411	13,643	(10)	36,044
Depreciable Capital Assets:				
Buildings	259,405	-	-	259,405
Computers & equipment	4,319	-	-	4,319
Vehicles	4,013	70	-	4,083
Less: accumulated depreciation				
Buildings	(206,740)	(2,975)	-	(209,715)
Computers & equipment	(3,899)	(142)	-	(4,041)
Vehicles	(2,791)	(181)	-	(2,972)
Total depreciable, net	54,307	(3,228)	-	51,079
Total Capital Assets, Net	\$ 76,718	\$ 10,415	\$ (10)	\$ 87,123

The above capital assets include \$4,740,000 of land and land improvements that belong to ACAH.

Depreciation expense charged by the Corporation was \$3,298,000 for the six months ended December 31, 2025.

The Corporation is obligated under contracts and other commitments to purchase and/or modernize certain fixed assets. The total commitment, including amounts to be funded by third parties, was \$9,244,000 as of December 31, 2025.

In 2017, the State exercised the option to purchase the Atwood Office Building and associated land, identified as Block 79, for \$1. The Atwood Office Building was leased to the State of Alaska as part of the Corporation's State Building Lease Program. Block 102, containing land the State did not transfer but may take ownership of at a later date, is reported as a Corporation asset at the assessed value of \$4,175,000, with a net book value of zero in the Other Non-Current Assets section of the financial statements, pending potential future transfers.

On September 25, 2025, AHFC closed on the purchase of land from the University of Alaska in Anchorage for a total amount of \$11,335,000. To fund the acquisition, a sum of \$10,835,000 was used from residual Emergency Rental Assistance Program funding through the U.S. Department of Treasury for future housing development. The remaining sum of \$500,000 was utilized from the Statewide Housing Development Program. The purchased land will be disposed of at a later date to the Corporation's grant sub-recipients for the development of low income housing.

9 DEFERRED OUTFLOWS OF RESOURCES

The Government Accounting Standards Board has defined deferred outflows of resources as the consumption of resources that are applicable to a future period. As of December 31, 2025, AHFC recognized a combined total deferred outflows of \$43,347,000 as follows:

- Interest rate swap derivatives of \$26,754,000.
- Deferred debt refunding expense of \$10,616,000.
- Pension deferred outflows of \$2,485,000.
- Other post-employment benefits deferred outflows of \$3,492,000.

10 BONDS PAYABLE

All of the bonds are general obligations of the Corporation for which its full faith and credit are pledged. All of the bonds are secured, as described in the applicable agreements, by the revenues, monies, investments, mortgage loans, and other assets in the funds and accounts established by the respective security agreements. A substantial portion of the assets of the Corporation are pledged to the outstanding obligations of the Corporation.

The Corporation's obligations are not a debt of the State, and the State is not directly liable thereon except for the Veterans Mortgage Program Bonds. The Veterans Mortgage Program Bonds are backed by the full faith and credit of the State. Although the Corporation has always made its Veterans Mortgage Program Bond payments, in the event that the Corporation cannot make the payments, the State would be responsible for the principal and interest.

Bonds outstanding as of December 31, 2025, are as follows (in thousands):

	Original Amount	December 31, 2025
Housing Bonds:		
Home Mortgage Revenue Bonds, Tax-Exempt:		
• 2002 Series A; floating rate*; 2.55% at December 31, 2025, due 2032-2036	\$ 170,000	\$ 19,935
Unamortized swap termination penalty		(530)
• 2007 Series A; floating rate*; 3.27% at December 31, 2025, due 2026-2041	75,000	57,790
• 2007 Series B; floating rate*; 3.29% at December 31, 2025, due 2026-2041	75,000	57,790
• 2007 Series D; floating rate*; 3.27% at December 31, 2025, due 2026-2041	89,370	68,840
• 2009 Series A; floating rate*; 3.27% at December 31, 2025, due 2026-2040	80,880	65,565
• 2009 Series B; floating rate*; 3.29% at December 31, 2025, due 2026-2040	80,880	65,565
• 2009 Series D; floating rate*; 3.27% at December 31, 2025, due 2026-2040	80,870	65,550
Total Home Mortgage Revenue Bonds, Tax Exempt	652,000	400,505
Collateralized Bonds (Veterans Mortgage Program), Tax-Exempt:		
• 2016 First and Second Series; 1.90% to 2.90%, due 2026-2037	50,000	20,795
• 2019 First and Second Series; 2.30% to 4.00%, due 2026-2048	60,000	8,650
Unamortized premium		138
• 2023 First Series; 3.15% to 4.65%, due 2027-2052	49,900	49,900
• 2024 First Series; 3.25% to 4.65%, due 2027-2053	75,000	75,000
Unamortized discount		(409)
• 2025 First Series; 2.50% to 5.00%, due 2026-2054	100,000	100,000
Total Collateralized Bonds (Veterans Mortgage Program), Tax Exempt	334,900	254,074

	Original Amount	December 31, 2025
Housing Bonds (cont.):		
General Mortgage Revenue Bonds II, Tax-Exempt:		
• 2016 Series A; 2.15%-3.00%, due 2026-2033	100,000	25,880
• 2018 Series A; 2.85%-4.00%, due 2026-2048	109,260	13,325
Unamortized premium		378
• 2018 Series B; 5.00%, due 2031	58,520	28,465
Unamortized premium		2,171
• 2019 Series A; 1.65%-3.75%, due 2026-2044	136,700	72,955
Unamortized premium		519
• 2019 Series B; 5.00%, due 2030-2033	24,985	19,985
Unamortized premium		2,537
• 2020 Series A; 1.05%-3.25%, due 2026-2044	135,170	86,385
Unamortized premium		1,540
• 2020 Series B; 2.00%-5.00%, due 2030-2035	74,675	74,675
Unamortized premium		7,309
• 2022 Series A; 0.80%-3.00%, due 2026-2051	39,065	29,255
Unamortized premium		580
• 2022 Series B; 1.65%-5.00%, due 2030-2036	83,730	83,730
Unamortized premium		10,062
• 2022 Series C; 3.00%-5.75%, due 2026-2052	87,965	76,850
Unamortized premium		1,695
• 2024 Series A; 3.25%-6.00%, due 2026-2054	75,000	71,565
Unamortized premium		1,585
• 2024 Series B; 3.63%-5.00%, due 2031-2036	48,120	48,120
Unamortized premium		2,979
• 2025 Series A; 3.00%-6.00%, due 2026-2054	110,000	108,495
Unamortized premium		2,203
Total General Mortgage Revenue Bonds II, Tax-Exempt	1,083,190	773,243
General Mortgage Revenue Bonds II, Taxable:		
• 2024 Series C; 4.81%-6.25%, due 2026-2053	120,000	113,455
Unamortized premium		892
Total General Mortgage Revenue Bonds II, Taxable	120,000	114,347
Governmental Purpose Bonds, Tax-Exempt:		
• 2001 Series A; floating rate*; 3.27% at December 31, 2025, due 2026-2030	76,580	20,025
Unamortized swap termination penalty		(834)
• 2001 Series B; floating rate*; 3.27% at December 31, 2025, due 2026-2030	93,590	24,465
Total Governmental Purpose Bonds, Tax Exempt	170,170	43,656
Total Housing Bonds	2,360,260	1,585,825

	Original Amount	December 31, 2025
Non-Housing Bonds:		
State Capital Project Bonds II, Tax-Exempt:		
• 2017 Series A; 4.00% to 5.00%, due 2026-2032	143,955	89,845
Unamortized premium		4,212
• 2017 Series C; 5.00%, due 2026-2032	43,855	28,580
Unamortized premium		1,277
• 2018 Series B; 3.13% to 5.00%, due 2026-2038	35,570	26,710
Unamortized discount		(38)
Unamortized premium		1,570
• 2019 Series B; 4.00% to 5.00%, due 2026-2039	60,000	47,510
Unamortized premium		4,515
• 2021 Series A; 4.00% to 5.00%, due 2026-2030	90,420	72,610
Unamortized premium		6,120
• 2022 Series B; 4.00% to 5.00%, due 2026-2037	97,700	78,945
Unamortized discount		(30)
Unamortized premium		4,449
• 2023 Series A; 5.00%-5.25%, due 2027-2041	99,995	99,995
Unamortized premium		7,037
• 2024 Series A; 5.00%, due 2027-2039	127,100	127,100
Unamortized premium		13,175
• 2025 Series A; 5.00%, due 2027-2033	133,000	133,000
Unamortized premium		10,266
Total State Capital Project Bonds II, Tax-Exempt	831,595	756,848
State Capital Project Bonds II, Taxable:		
• 2017 Series B; floating rate*; 3.83% at December 31, 2025, due 2047	150,000	90,000
• 2018 Series A; floating rate*; 3.83% at December 31, 2025, due 2031-2043	90,000	90,000
• 2019 Series A; floating rate*; 3.83% at December 31, 2025, due 2033-2044	140,000	140,000
• 2020 Series A; 1.40% to 2.18%, due 2026-2033	96,665	87,820
• 2022 Series A; floating rate*; 3.85% at December 31, 2025, due 2037-2052	200,000	200,000
Total State Capital Project Bonds II, Taxable	676,665	607,280
Total Non-Housing Bonds	1,508,260	1,364,128
Total Bonds Payable	\$ 3,868,520	\$ 2,949,953

Note: Debt service payments on the above-mentioned bonds are semi-annual unless otherwise mentioned.

* Interest rates on the annotated variable-rate bonds are established by the Remarketing Agents on each Rate Determination Date.

Assets Pledged as Collateral for Debt

AHFC's bonds are secured by the general obligation of the Corporation and may also be secured with collateral from mortgages, investments and/or direct financing leases. See the table below (in thousands):

	Mortgages	Investments	Leases	Total
Housing	\$ 2,163,007	\$ 85,660	\$ -	\$ 2,248,667
Non-housing	-	-	7,362	7,362
Total	\$ 2,163,007	\$ 85,660	\$ 7,362	\$ 2,256,029

Redemption Provisions

The bonds are generally subject to certain early-redemption provisions, both mandatory and at the option of the Corporation. The Corporation redeems debt pursuant to the terms of the related agreements governing such redemptions. For housing bonds, such agreements typically permit surplus revenues resulting primarily from mortgage loan prepayments to be used to retire housing obligations at par. With respect to non-housing and direct placement bonds, such agreements typically permit optional redemptions at par from any source of funds on or after a specified date.

The Corporation also issues new debt whose proceeds are used to redeem previously issued debt, called current refundings. The related discounts and costs of issuance of the old debt are classified as a deferred outflow of resources and amortized as interest expense. The Corporation may call some bonds at a premium using any monies once bonds reach a certain age and may also use a clean-up call to redeem certain bonds once the outstanding amount falls below 15% of the total issuance.

During the six months ended December 31, 2025, the Corporation made special redemptions in the amount of \$71,475,000, of which \$31,045,000 was from a prior period defeasance.

Bond Defeasances

There were no new bond defeasances during the six months ending December 31, 2025. As of December 31, 2025, there is no defeased debt to be redeemed.

Debt Service Requirements*

For all bonds in the preceding schedules, excluding any defeased bonds, the Corporation's annual debt service requirements through 2030, and in five year increments thereafter to maturity, follows (in thousands):

Twelve Months Ending December 31,	Housing Bond Debt Service		Non-Housing Bond Debt Service		Total Debt Service		Total
	Principal***	Interest**	Principal***	Interest**	Principal***	Interest**	
2026	\$ 51,505	\$ 59,681	\$ 47,155	\$ 56,523	\$ 98,660	\$ 116,204	\$ 214,864
2027	56,160	58,161	102,165	54,113	158,325	112,274	270,599
2028	53,715	56,537	79,790	49,124	133,505	105,661	239,166
2029	56,435	54,871	80,090	45,550	136,525	100,421	236,946
2030	81,295	52,951	82,815	45,107	164,110	98,058	262,168
31-35	520,275	204,550	336,810	172,556	857,085	377,106	1,234,191
36-40	307,435	134,176	240,190	110,752	547,625	244,928	792,553
41-45	155,730	87,063	161,295	58,345	317,025	145,408	462,433
46-50	159,775	52,317	159,545	21,339	319,320	73,656	392,976
51-55	110,685	11,790	21,720	960	132,405	12,750	145,155
	<u>\$ 1,553,010</u>	<u>\$ 772,097</u>	<u>\$ 1,311,575</u>	<u>\$ 614,369</u>	<u>\$ 2,864,585</u>	<u>\$ 1,386,466</u>	<u>\$ 4,251,051</u>

* Also see Note 11 – Derivatives.

** Interest requirements have been computed for hedged variable rate bonds using the associated fixed swap rates and for unhedged variable rate bonds using interest rates in effect at December 31, 2025.

*** Excludes unamortized premiums and discounts.

Events of Default

Significant finance-related events of default with respect to the Corporation's outstanding housing, non-housing, and direct placement bonds include a failure to repay principal at stated maturity or upon redemption; a failure to pay interest when due; and a continued failure to comply with, or default in the performance or observance of, certain other covenants, agreements or conditions in the Indenture 45 days after having received written notice thereof. There were no events of default during the six months ending December 31, 2025.

Conduit Debt

From time to time, the Corporation has issued debt to assist private-sector entities in the acquisition or construction of facilities that help the Corporation fulfill its mission of making housing affordable for all Alaskans. The bonds are secured by the properties financed and are payable from rents, payments received on the underlying mortgage loans, as well as tax credits, grants and other subsidy funding. Neither the Corporation nor the State is obligated in any manner for repayment of the bonds. Accordingly, the bonds and any related assets are not reported as assets or liabilities in the accompanying financial statements.

A summary of all conduit debt as of December 31, 2025, follows (in thousands):

	Balance
Revenue Bonds, 2025 (ACAH Valdez)	\$ 5,603
Revenue Bonds, 2025 (Ketchikan PSH)	1,060
Revenue Bonds, 2024 (Chenana)	7,435
Revenue Bonds, 2021 (Little Dipper Project)	4,251
Total	<u>\$ 18,349</u>

11 DERIVATIVES

The Corporation entered into certain derivatives contracts to reduce its overall cost of capital and protect against the risk of rising interest rates. The Corporation's derivatives consist of interest rate swap agreements entered into in connection with its long-term variable rate bonds. The interest rate swaps are pay-fixed, receive-variable agreements, and were entered into at a cost less than what the Corporation would have paid to issue conventional fixed-rate debt. The swaps are recorded and disclosed as either hedging derivatives or investment derivatives. The synthetic instrument method was used to determine whether or not the derivatives constitute effective hedges. The fair values of the hedgeable derivatives and investment derivatives are presented in the Statement of Net Position, either as a derivative liability (negative fair value amount) or as a derivative asset (positive fair value amount). If a swap changes from a hedgeable derivative to an investment derivative, the hedge is considered terminated and the accumulated change in fair value is no longer deferred but recognized as a revenue item.

AHFC categorizes its fair value measurements within the fair value hierarchy established by Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The fair value amounts, obtained from mark to market statements from the respective counterparties and reconciled to present value calculations done by the Corporation, represent mid-market valuations that approximate the current economic value using market averages, reference rates, and/or mathematical models. These measurements are Level 2 inputs. Actual trade prices may vary significantly from these estimates as a result of various factors, which may include (but are not limited to) portfolio composition, current trading intentions, prevailing credit spreads, market liquidity, hedging costs and risks, position size, transaction and financing costs, and the use of capital profit. The fair value represents the current price to settle swap assets or liabilities in the marketplace if a swap were to be terminated.

The Corporation's interest rate swaps require that if the ratings on the associated bonds fall to "BBB+/Baa1", the Corporation would have to post collateral of up to 100 percent of the swap's fair value. As of December 31, 2025, the Corporation had not posted any collateral and was not required to post any collateral.

Hedging Derivatives

The significant terms and credit ratings of the Corporation's hedging derivatives as of December 31, 2025, are shown below:

Related Bond Issue	Effective Date	Fixed Rate Paid	Variable Rate Received	Swap Termination Date	Counterparty Credit Rating ¹
GP01B ²	08/02/01	4.1127%	67% of 1M Fallback Rate (SOFR) ³	12/01/30	A+/Aa2
E021A ⁴	10/09/08	2.9800%	70% of 3M Fallback Rate (SOFR) ³	06/01/32	AA-/Aa2
E071AB ⁴	05/31/07	3.7345%	70% of 3M Fallback Rate (SOFR) ³	12/01/41	AA-/Aa2
E071BD ⁴	05/31/07	3.7200%	70% of 3M Fallback Rate (SOFR) ³	12/01/41	AA-/Aa2
E091A ⁴	05/28/09	3.7610%	70% of 3M Fallback Rate (SOFR) ³	12/01/40	A+/Aa2
E091B ⁴	05/28/09	3.7610%	70% of 3M Fallback Rate (SOFR) ³	12/01/40	AA-/Aa2
E091ABD ⁴	05/28/09	3.7400%	70% of 3M Fallback Rate (SOFR) ³	12/01/40	AA-/Aa2
SC19A ⁵	06/01/19	3.2220%	100% of 1M Fallback Rate (SOFR) ³	12/01/29	AA-/Aa2

- | | |
|--|-----------------------------------|
| 1. Standard & Poor's/Moody's | 4. Home Mortgage Revenue Bonds |
| 2. Governmental Purpose Bonds | 5. State Capital Project Bonds II |
| 3. SOFR-Secured Overnight Finance Rate | |

The change in fair value and ending balance of the hedging derivatives as of December 31, 2025, is shown below (in thousands). The fair value is reported as a deferred outflow / inflow of resources in the Statement of Net Position.

Related Bond Issue	Notional Amounts	Present Values	Fair Value		Change in Fair Value
			December 31, 2025	June 30, 2025	
GP01B	\$ 24,465	\$ 25,598	\$ (1,133)	\$ (1,314)	\$ 181
E021A	19,935	20,206	(271)	(292)	21
E071AB	110,652	118,061	(7,409)	(8,391)	982
E071BD	73,768	78,647	(4,879)	(5,539)	660
E091A	59,004	62,950	(3,946)	(4,434)	488
E091B	59,004	62,950	(3,946)	(4,434)	488
E091ABD	78,672	83,843	(5,171)	(5,825)	654
SC19A	140,000	138,557	1,443	1,701	(258)
	<u>\$ 565,500</u>	<u>\$ 590,812</u>	<u>\$ (25,312)</u>	<u>\$ (28,528)</u>	<u>\$ 3,216</u>

As of December 31, 2025, debt service requirements of the Corporation's outstanding variable-rate debt and net swap payments are displayed in the following schedule (in thousands). As interest rates vary, variable-rate bond interest payments and net swap payments will also vary.

Fiscal Year Ending December 31,	VRDO Principal	VRDO Interest	Swap Net Payments	Total Payments
2026	\$ 11,890	\$ 9,589	\$ 1,134	\$ 22,613
2027	24,630	18,658	2,130	45,418
2028	25,820	17,894	1,930	45,644
2029	27,045	17,012	1,715	45,772
2030	168,345	13,443	1,975	183,763
2031-2035	125,655	40,961	9,357	175,973
2036-2040	148,840	19,363	4,437	172,640
2041-2045	33,275	946	215	34,436
	<u>\$ 565,500</u>	<u>\$ 137,866</u>	<u>\$ 22,893</u>	<u>\$ 726,259</u>

Credit Risk

As of December 31, 2025, the Corporation was exposed to credit risk on its State Capital Project Bonds II 2019 Series A, to the extent of the associated swap's positive fair value of \$1,443,000. The Corporation was not exposed to credit risk on its remaining swap agreements because these swaps all have negative fair values.

The Corporation's swap agreements require full collateralization of the fair value amount of a swap should the swap counterparty's rating fall to "BBB+/Baa1".

The Corporation currently has swap agreements with five separate counterparties. Approximately 85.2% of the total notional amount of the swaps is held with three counterparties rated "AA-/Aa2". The remaining swaps are held by two counterparties rated "A+/Aa2", approximating 14.8% of the total notional amount of the swaps.

Interest Rate Risk

The Corporation is exposed to interest rate risk on all of its interest rate swaps. As underlying indices such as SOFR or SIFMA change, the Corporation's net payment on its swaps will also change accordingly.

Basis Risk

The Corporation is exposed to basis risk when the variable payment received on an interest rate swap is based on an index that differs from the index on which the Corporation's variable-rate payment to its bondholders is based. In such instance, the float payment received from the swap counterparty may not fully offset the variable rate paid on the bonds.

As of December 31, 2025, the Corporation's interest rate swaps were based on the SOFR index, while its variable rate bonds were based on SOFR or SIFMA indexes.

The relative ratios among such indices have fluctuated since the Corporation's swap agreements became effective and will continue to do so as market conditions change.

Termination Risk

Termination risk is the risk of an unscheduled termination of a swap prior to its planned maturity. If any of the swaps are terminated, the associated floating rate bonds would no longer carry synthetic fixed interest rates and the Corporation would be exposed to interest rate risk on the bond. This risk is mitigated by the fact that the termination payment could be used to enter into an identical swap at the termination date of the existing swap. Further, if any of the swaps have a negative fair value at termination, the Corporation would be liable to the counterparty for payments equal to the swaps' fair value. The Corporation or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the agreement, including downgrades and events of default.

Rollover Risk

Rollover risk occurs when there is a mismatch in the amortization of the swap versus the amortization of the floating rate bonds. The Corporation has structured the swaps to amortize at the same rate as scheduled or anticipated reductions in the associated floating rate bonds outstanding.

12 OTHER CURRENT LIABILITIES

Other Current Liabilities as of December 31, 2025, are composed of the accounts and balances as follows (in thousands):

Other Current Liabilities	December 31, 2025
Accounts payable	\$ 1,868
Accrued payroll	5,078
Lease liability	90
Other miscellaneous liabilities	916
Service fees payables	895
Unearned grant revenue	22,803
Total	<u>\$ 31,650</u>

13 LONG TERM LIABILITIES

Activity for the six months ended December 31, 2025, is summarized in the following schedule (in thousands):

	July 1, 2025	Additions	Reductions	December 31, 2025	Due Within One Year
Total bonds and notes payable	\$ 2,802,648	\$ 244,374	\$ (97,069)	\$ 2,949,953	\$ 98,660
Compensated absences	3,571	1,719	(1,632)	3,658	2,176
Lease liability	1,333	-	-	1,333	90
Other liabilities	189	120	(117)	192	-
Total long-term liabilities	\$ 2,807,741	\$ 246,213	\$ (98,818)	\$ 2,955,136	\$ 100,926

14 SHORT TERM DEBT

The Corporation has a taxable commercial paper program. Commercial paper is used to refund certain tax-exempt debt until new debt replaces it. Individual maturities range up to 270 days from date of issuance. The maximum aggregate outstanding principal balance authorized by the Corporation's Board of Directors is \$150,000,000. The lowest yield during the six months ended December 31, 2025, was 3.92%, and the highest was 4.35%.

Short term debt activity for the six months ended December 31, 2025, is summarized in the following schedule (in thousands):

	July 1, 2025	Additions	Reductions	December 31, 2025
Commercial paper	\$ 128,187	\$ 100,795	\$ (128,187)	\$ 100,795
Unamortized discount	(694)	(1,663)	1,105	(1,252)
Commercial paper, net	\$ 127,493	\$ 99,132	\$ (127,082)	\$ 99,543

15 DEFERRED INFLOWS OF RESOURCES

The Government Accounting Standards Board has defined deferred inflows of resources as the acquisition of resources that are applicable to a future period. As of December 31, 2025, AHFC recognized a combined total deferred inflows of \$11,943,000 as follows:

- Other Post-Employment Benefits ("OPEB") related deferred inflows totaled \$438,000, consisting of the sum of a) the difference of actuarial benefit assumptions vs. actual benefit experience in the amount of \$142,000 b) the net effect of changes in actuarial assumptions in the amount of \$266,000 and c) changes in proportional contribution levels among participating employers totaling \$30,000.
- Lease-related deferred inflows totaled \$10,062,000, consisting of one or more leases with local charitable organizations totaling \$49,000, with the Corporation's affordable housing subsidiary, the Alaska Corporation for Affordable Housing, totaling \$3,043,000, and the Pacillo Parking Garage lease in the amount of \$6,970,000.
- Derivatives-related deferred inflows totaled \$1,443,000.

16 TRANSFERS

Transfers for the six months ended December 31, 2025, are summarized in the following schedule (in thousands):

	From					Total
	Administrative Fund	Grant Programs	Mortgage or Bond Programs	Other Funds or Programs	Alaska Corporation for Affordable Housing	
Administrative fund	\$ -	\$ 15	\$ 407,251	\$ 6,463	\$ 796	\$ 414,525
Grant programs	11,566	-	-	-	-	11,566
Mortgage or bond programs	288,384	-	-	-	-	288,384
Other funds or programs	7,599	-	-	-	-	7,599
Alaska Corporation for Affordable Housing	864	-	-	-	-	864
Total	\$ 308,413	\$ 15	\$ 407,251	\$ 6,463	\$ 796	\$ 722,938

Transfers are used to:

1. Move cash between the Administrative Fund and the Mortgage or Bond Programs to subsidize debt service payments or satisfy bond indenture requirements;
2. Move mortgages between the Administrative Fund and the Mortgage or Bond Programs;
3. Record expenditures paid on behalf of the Grant Programs, the Mortgage or Bond Programs, and the Other Funds or Programs by the Administrative Fund;
4. Move cash and mortgages between various Mortgage or Bond Programs; or
5. Record any non-reimbursable expenditures paid by the Administrative Fund on behalf of ACAH and cash transferred between the Administrative Fund and ACAH.

17 OTHER CREDIT ARRANGEMENTS

The Corporation currently has certain outstanding debt obligations in relation to which it has entered into standby bond purchase agreements ("SBPAs") to guarantee the payment of debt service in the event of unremarketed tenders. Additionally, the Corporation entered into a direct-pay letter of credit ("D-LOC") which guarantees the purchase of unremarketed tenders and the payment of regular debt service with respect to the Corporation's \$200 million State Capital Project Bonds II, 2022 Series A. The Corporation also has two standby LOCs ("S-LOC") totaling \$320 million to secure debt issued under the State Capital Project Bonds II indenture and the Corporation's Commercial Paper Notes program.

As of December 31, 2025, the Corporation had the following available unused credit lines (in thousands):

	Credit Type	Counterparty Short-Term Ratings		Available Unused Lines of Credit
		S&P	Moody's	
Home Mortgage Revenue Bonds, 2002 Series A	SBPA	A-1+	P-1	\$ 19,935
Home Mortgage Revenue Bonds, 2007 Series A, B, D	SBPA	A-1+	P-1	184,420
Home Mortgage Revenue Bonds, 2009 Series A	SBPA	A-1+	P-1	65,565
Home Mortgage Revenue Bonds, 2009 Series B	SBPA	A-1+	P-1	65,565
Home Mortgage Revenue Bonds, 2009 Series D	SBPA	A-1+	P-1	65,550
Governmental Purpose Bonds, 2001 Series A & B	SBPA	A-1+	P-1	44,490
State Capital Project Bonds II, 2022 Series A	D-LOC	A-1	P-1	200,000
State Capital Project Bonds II & commercial paper	S-LOC	A-1	P-1	180,000
State Capital Project Bonds II & commercial paper	S-LOC	A-1+	P-1	140,000
Total				\$ 965,525

18 YIELD RESTRICTION AND ARBITRAGE REBATE

Most mortgages purchased with the proceeds of tax-exempt mortgage revenue bonds issued by the Corporation are subject to interest-rate yield restrictions of 1.125% to 1.500% over the yield of the bonds. These restrictions are in effect over the lives of the bonds.

Non-mortgage investments made under the Corporation's tax-exempt mortgage revenue bond programs are subject to rebate provisions or restricted as to yields. The rebate provisions require that a calculation be performed every five years and upon full retirement of the bonds to determine the amount, if any, of excess yield earned. As of December 31, 2025, no rebate payments were due to the Internal Revenue Service, but the Corporation accrued the following rebate-related liabilities net of receivable:

Bond Issue	December 31, 2025
Collateralized Bonds (Veterans Mortgage Program), 2023 First Series	\$ 24,000
General Mortgage Revenue Bonds II, 2022 Series AB	461,000
General Mortgage Revenue Bonds II, 2022 Series C	76,000
General Mortgage Revenue Bonds II, 2024 Series ABC	66,000
Total liabilities	627,000
Less receivable: Governmental Purpose Bonds, 2001 Series AB	(911,000)
Net total	\$ (284,000)

19 STATE AUTHORIZATIONS AND COMMITMENTS

The Corporation uses its assets to fund certain housing and non-housing capital projects identified by the State. The aggregate amount expected to be funded by the Corporation was expressed by the following language of legislative intent included in the fiscal year 1996 capital appropriation bill, enacted in 1995.

"The Legislature intends to ensure the prudent management of the Alaska Housing Finance Corporation to protect its excellent debt rating by the nation's financial community and to preserve its valuable assets of the State. To accomplish its goal, the sum of withdrawals for transfer to the general fund and for expenditure on corporate funded capital projects should not exceed the Corporation's net income for the preceding fiscal year."

The projected amounts stated in the legislative intent language were based on the Corporation's financial operating plan and represent the total amount of anticipated State transfers and capital expenditures rather than projected "net income". The following table shows the cumulative total of all dividends due and payable to the State since 1991, and the remaining commitment as of December 31, 2025 (in thousands):

	Dividend Due to State	Expenditures	Remaining Commitments
State general fund transfers	\$ 799,514	\$ (788,948)	\$ 10,566
State capital projects debt service	516,242	(512,952)	3,290
State of Alaska capital projects	294,915	(272,196)	22,719
AHFC capital projects	723,607	(589,476)	134,131
Total	\$ 2,334,278	\$ (2,163,572)	\$ 170,706

Transfer Plan with the State

The 1998 Legislature authorized the Corporation to finance state capital projects through the issuance of up to \$224,000,000 in bonds. Debt service payments on such bonds are categorized as transfers pursuant to the Transfer Plan. That legislation also extended the term of the Transfer Plan by stating the Legislature's intent that the Corporation transfer to the State (or expend on its behalf) an amount not to exceed \$103,000,000 in each fiscal year through fiscal year 2006, again stating that, to protect the Corporation and its bond rating, in no fiscal year should such amount exceed the Corporation's net income for the preceding fiscal year. The bond proceeds are allocated to agencies and municipalities subject to specific legislative appropriation.

The 2000 Legislature adopted legislation authorizing the issuance of bonds in sufficient amounts to fund the construction of various State capital projects, and extended the Transfer Plan (as described above) through fiscal year 2008. The 2002 Legislature authorized the issuance of capital project bonds for the renovation and deferred maintenance of the Corporation's Public Housing facilities. The 2004 Legislature adopted legislation authorizing the additional issuance of bonds in sufficient amounts to fund the construction of various State capital projects. The bond proceeds are allocated to agencies and municipalities subject to specific legislative appropriation.

The Corporation has issued \$196,345,000 principal amount of State Capital Project Bonds pursuant to the 1998 Act, \$74,535,000 principal amount of State Capital Project Bonds pursuant to the 2000 Act, \$60,250,000 principal amount of State Capital Project Bonds pursuant to the 2002 Act, and \$45,000,000 principal amount of bonds under the State Capital Project agreement pursuant to the 2004 Act, and has completed its issuance authority under the Acts. The payment of principal and interest on these bonds will be included in future capital budgets of the Corporation. Debt service payments on such bonds are categorized as transfers pursuant to the Transfer Plan.

The Twenty-Third Legislature in 2003 enacted SCS HB 256 (the "2003 Act") which added language to the Alaska Statutes to modify and incorporate the Transfer Plan. The Corporation and the State view the 2003 Act as an indefinite, sustainable continuation of the Transfer Plan. As approved and signed into law by the Governor and modified by the Twenty-Fourth Legislature in 2006 with SB 236, the 2003 Transfer Plan calls for annual transfers that will not exceed the lesser of 75% of the adjusted change in net position for the fiscal year two years prior to the current fiscal year or \$103,000,000 less debt service on certain State Capital Project Bonds, less any legislative appropriation of the Corporation's unrestricted, unencumbered funds other than appropriations of the Corporation's operating budget.

20 HOUSING GRANTS AND SUBSIDIES EXPENSES

The grant programs are funded from HUD, federal, State and Corporate proceeds. The Corporation paid grants to third parties for the following programs (in thousands):

	December 31, 2025
Beneficiaries and Special Needs Housing	\$ 770
Competitive Grants for Public Housing	(3)
Continuum of Care Homeless Assistance	899
COVID-19 American Rescue Plan Act - Homeless Assistance	8,147
COVID-19 American Rescue Plan Act - Homeowner Assistance	119
COVID-19 American Rescue Plan Act	390
COVID-19 American Rescue Plan Act-Tribal	101
Domestic Violence	1,132
Discharge Incentive grant - Operating	113
Emergency Housing Vouchers (EHV)	624
Emergency Shelter Grant (ESG)	108
Energy Efficiency Monitoring Research	9
Energy Efficient Weatherization	750
Energy Residential Program	4
Foster Youth to Independence	60
HOME Investment Partnership	746
Homeless Assistance Program (HAP)	2,598
Housing Choice Vouchers	19,929
Housing Choice Voucher - Mainstream	404
Housing Grants Individuals	590
Housing Loan Program	6,416
Housing Opportunities for Persons with AIDS	151
Housing Trust Fund	436
Low Income Weatherization Assistance	1,159
Low Income Home Energy Assistance	635
Neighborhood Stabilization Program	45
Non-Elderly Disabled (NED)	191

Parolees (TBRA)	(1)
Re-entry Housing & Support	44
Returning Home	220
Section 811 Rental Housing Assistance	303
Section 8 Rehabilitation	317
Senior Citizen Housing Development Grant	1,049
Supplemental Housing Grant	1,767
Veterans Affairs Supportive Housing	1,484
Victims of Human Trafficking	87
Youth (TBRA) Operating	10
Youth (TBRA)	11
Total Housing Grants and Subsidies Expenses	\$ 51,814

A sum of \$13,000,000, from the Corporation's Moving to Work ("MTW") Demonstration Program reserves in HUD, was transferred to ACAH to assist in funding the Fairbanks Affordable Housing Project, a multifamily housing project. ACAH advanced these funds to Fairbanks Affordable Housing, LLC in the form of a loan agreement, payable on earliest date or September 1, 2079. Interest and principal are payable at the interest rate of 3.14% annually.

A sum of \$8,000,000, from the Corporation's MTW Demonstration Program reserves in HUD, was transferred to ACAH to assist in funding the Valdez Affordable Housing Project, a multifamily housing project. ACAH advanced \$7,192,000 of the funds to Valdez Affordable Housing, LLC in the form of a loan agreement, payable on earliest date or December 31, 2065. Interest and principal are payable at the interest rate at .55% annually.

In addition to grant payments made, the Corporation advanced grant funds of \$12,957,000, and committed to third parties a sum of \$54,845,000 in grant awards as of December 31, 2025.

21 PENSION AND POST-EMPLOYMENT HEALTHCARE PLANS

Description of Plans

As of December 31, 2025, all regular employees of the Corporation who work more than fifteen hours per week participate in the Alaska Public Employees' Retirement System ("PERS"). PERS administers the State of Alaska Public Employees' Retirement System Defined Benefit Retirement Plan, which includes both pension and post-employment healthcare plans for all employees hired prior to July 1, 2006. The defined benefit plan was an agent multiple-employer, statewide plan until July 1, 2008, when Senate Bill 125 converted the plan to a multiple-employer cost-sharing plan.

PERS also administers the State of Alaska Public Employees' Retirement System Defined Contribution Retirement Plan, which includes both pension and post-employment healthcare plans for all employees hired on or after July 1, 2006.

PERS is administered by the State. Benefits and contributions provisions are established by Chapter 35 of Alaska Statute Title 39, and may be amended only by state legislature. Amendments do not affect existing employees.

PERS audited financial statements are available at www.doa.alaska.gov/drb.

Defined Benefit ("DB") Pension and Post-Employment Healthcare Plans (*Employees hired prior to July 1, 2006*)

Employee Benefits:

Employees hired prior to July 1, 1986, with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 55 or early retirement age 50. The normal pension benefit is equal to 2% of the member's three-year highest average monthly compensation for the first ten years of service and for all service prior to July 1, 1986, 2¼% for the second ten years of service and 2½% for all remaining years of service. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit. The plan pays the retiree medical plan premium and provides death and disability benefits.

Employees hired between July 1, 1986, and June 30, 1996, with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 60 or early retirement age 55. The normal pension benefit is equal to 2% of the member's three-year highest average monthly compensation for the first ten years of service, 2¼% for the second ten years of service and 2½% for all remaining years of service. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit. The plan does not pay the retiree medical plan premium for retirees under the age of 60 unless the retiree has 30 years of credited service. The employee may elect to pay the full premium cost for medical coverage.

Employees hired between July 1, 1996, and June 30, 2006, with five or more years of credited service are entitled to annual pension benefits beginning at normal retirement age 60 or early retirement age 55. The normal pension benefit is equal to 2% of the member's five-year highest average monthly compensation for the first ten years of service, 2¼% for the second ten years of service and 2½% for all remaining years of service. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit. The plan does not pay the retiree medical plan premium for retirees with less than 10 years of service at age 60. The employee may elect to pay the full premium cost for medical coverage.

This plan was closed to new entrants as of June 30, 2006.

The Defined Benefit Pension and Post-Employment Healthcare Plan issues financial reports that are available to the public on the SOA website: alaska.gov/dr/b/employer/resources/gasb.html.

Funding Policy:

Under State law, covered employees are required to contribute 6.75% of their annual covered salary to the pension plan and are not required to contribute to the post-employment healthcare plan.

Under State law, the Corporation is required to contribute 22.00% of annual covered salary. For fiscal year 2026, 22.00% of covered salary is for the pension plan and 0% is for the post-employment healthcare plan.

Under AS39.35.255, the State funds 6.33%, the difference between the actuarial required contribution of 28.33% for fiscal year 2026 and the employer rate of 22.00%.

The Corporation's contributions to the Defined Benefit pension plan for the six months ended December 31, 2025, totaled \$820,000.

Pension Liability:

The pension liability for the six months ended December 31, 2025 is not available at this time.

For the year ended June 30, 2025, the Corporation reported a liability for its proportionate share of net pension liability of \$33,945,000. This amount reflected State pension support provided to the Corporation of \$12,692,000. The total net pension liability associated with the Corporation was \$46,637,000.

The net pension liability for the June 30, 2024 measurement date, and the total pension liability used to calculate the new pension liability was determined by an actuarial valuation as of June 30, 2023, and rolled forward to June 30, 2024.

	June 30, 2023 Measurement Date Employer Proportion	June 30, 2024 Measurement Date Employer Proportion	Change
Corporation's proportionate share of the net pension liability	0.61892%	0.65883%	(0.03991%)

Pension Expense:

The pension expense for the six months ended December 31, 2025 is not available at this time.

For the year ended June 30, 2025, the Corporation recognized pension expense of \$5,116,000 and revenue of \$1,079,000 for support provided by the State.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

The deferred outflow of resources and deferred inflow of resources for the six months ended December 31, 2025 are not available at this time.

For the year ended June 30, 2025, the Corporation's deferred outflows of resources related to pension expense of \$2,485,000 were due to the difference between projected and actual investment earnings of \$326,000, and contributions to the pension plan subsequent to the measurement date of \$2,159,000. The Corporation's deferred inflows of resources related to pension is zero.

Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending June 30, 2026. The amounts recognized as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows (in thousands):

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
2026	\$ 1,249	\$ -	\$ 1,249
2027	1,693	-	1,693
2028	(250)	-	(250)
2029	(207)	-	(207)
	\$ 2,485	\$ -	\$ 2,485

Pension Employer Contributions:

In 2025, the Corporation was credited with the following contributions to the PERS plan:

	Measurement Period Corporation FY24	Measurement Period Corporation FY23
Employer PERS contributions	\$ 3,689,000	\$ 3,550,000

Pension and OPEB Actuarial Assumptions:

The total pension and OPEB Liability for the fiscal year ending June 30, 2025, was determined by an actuarial valuation as of June 30, 2023, rolled forward to the measurement date of June 30, 2024. The valuation was prepared assuming an inflation rate of 2.50%. Salary increases were determined by grading by service to range from 6.75% to 2.85%. The investment rate of return was calculated at 7.25%, net of pension and OPEB plan investment expenses, based on an average inflation rate of 2.50% and a real return of 4.75%.

Mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 general improvement. Deaths are assumed to result from occupational causes 35% of the time.

The long-term expected rate of return on pension and OPEB plans investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension and OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return, excluding the inflation component of 2.39%, for each major asset class included in the OPEB plan's target asset allocation are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Broad domestic equity	5.48%
Global equity (non-U.S.)	7.14%
Global equity	5.79%
Aggregate bonds	2.10%
Real assets	4.63%
Private equity	8.84%
Cash equivalents	0.77%

Pension Discount rate:

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the Corporation and non-employer State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Corporation's proportionate share of the net pension liability to changes in the discount rate:
The following presents the Corporation's proportionate share of the net pension liability using the discount rate of 7.25% and what it would be if the discount was 1% lower (6.25%) or 1% higher (8.25%), (in thousands).

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Corporation's proportionate share of the net pension liability	\$ 45,218	\$ 33,945	\$ 24,405

Defined Contribution ("DC") Pension and Post-Employment Healthcare Plans (*Employees hired on or after July 1, 2006*):

Employee Benefits:

Defined Contribution Pension Plan participants (PERS Tier IV) participate in the Occupational Death and Disability Plan ("ODD"), and the Retiree Medical Plan ("RM"). Information on these plans is included in the comprehensive annual financial report for the PERS Plan noted above. These plans provide for death, disability, and post-employment healthcare benefits.

There is no retirement age set, however taxes and penalties may apply if withdrawn prior to age 59 ½. Retirement benefits are equal to the Defined Contribution account balance plus interest. The employee may direct the investment of the account if so desired. The account balance is 100% of the employee's contribution plus 25% of the Corporation's contribution after two years of service, 50% of the Corporation's contribution after three years of service, 75% of the Corporation's contribution after four years of service, and 100% of the Corporation's contribution after 5 years of service. The plan pays a portion of the retiree medical plan premium if the retiree retires directly from the plan and is eligible for Medicare. The portion of premium paid by the plan is determined by years of service.

Funding Policy:

Under State law, covered employees are required to contribute 8% of their annual covered salary to the pension plan and are not required to contribute to the post-employment healthcare plan. Employer contribution rates for fiscal year 2026 are as follows:

	Other Tier IV
Pension employer contribution	5.00%
Occupational death and disability benefits (ODD)	0.24%
Retiree medical	0.86%
Total OPEB	1.10%
Total contribution rates	6.10%

Under State law, the Corporation is required to contribute 22% of annual covered salary. For fiscal year 2026, 6.10% of covered salary is split between 5.00% for the pension plan and 1.10% for the post-employment healthcare plan. Then, to offset additional individual post-employment healthcare cost, an annual flat dollar amount of \$2,467.92, representing 3% of total annual covered compensation in the Plan for each full-time employee, and \$1.58 per hour for part-time employees, is deposited in a Health Reimbursement Arrangement ("HRA") Account for each covered employee per AS 39.30.370.

Additionally, if the total amount that the Corporation has contributed for the defined contribution pension and post-employment healthcare plans is less than 22% of covered payroll after the HRA contributions, the Corporation must pay that additional amount. This additional amount is used to reduce the defined benefit plan's unfunded liability. For the six months ended December 31, 2025, the Corporation paid additional contributions of \$617,000. All of the contributions were for the defined benefit pension as of December 31, 2025.

The contributions to the pension plan for the six months ended December 31, 2025, by the employees totaled \$742,000 and by the Corporation totaled \$463,000.

The contributions to Other Post-Employment Benefits ("OPEB") plan by the Corporation for the six months ended December 31, 2025, totaled \$102,000.

The Corporation contributed \$270,000 to a Health Reimbursement Arrangement for six months ended December 31, 2025.

The Defined Contribution Pension and Post Employment Healthcare Plan issues financial reports that are available to the public on the SOA website: alaska.gov/dr/employer/resources/gasb.html.

Other Post-Employment Benefits (“OPEB”) Defined Benefit and Defined Contribution Plans

The Corporation did not contribute to the defined benefit post-employment healthcare plan for the six months ended December 31, 2025, and for the year ended June 30, 2025.

OPEB Employer Contribution Rate:

In 2025, the Corporation was credited with the following contributions to the OPEB plan:

	Measurement Period Corporation FY24	Measurement Period Corporation FY23
Employer contributions DB	\$ 90,000	\$ 44,000
Employer contributions DC RM	135,000	150,000
Employer contributions DC ODD	42,000	41,000
Total contributions	<u>\$ 267,000</u>	<u>\$ 235,000</u>

Changes in Benefit Assumptions Since the Prior Valuation of OPEB:

The actuarial assumptions used in the June 30, 2023 actuarial valuation were rolled forward to the June 30, 2024 measurement date. The actuarial assumptions used in the June 30, 2022 actuarial valuation, were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The assumptions used in the June 30, 2023 actuarial valuation are the same as those used in the June 30, 2022 valuation with the following exceptions:

1. For DC RM and PERS Alaska Retiree Healthcare Trust (“ARHT”), per capita claims costs were updated to reflect recent experience.
2. For all of the plans, the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

OPEB healthcare cost trend rates:

Healthcare cost trend model has been adopted by the Society of Actuaries, and has been populated with assumptions that are specific to the State of Alaska. The following table shows the rate used by actuaries to project the cost from the shown fiscal year to the next fiscal year.

	Medical Pre-65	Medical Post-65	Prescription Drugs/ Employer Group Waiver Plan (EGWP)
FY24	6.70%	5.50%	7.20%
FY25	6.40%	5.40%	6.90%
FY26	6.20%	5.40%	6.65%
FY27	6.05%	5.35%	6.35%
FY28	5.85%	5.35%	6.10%
FY29	5.65%	5.30%	5.80%
FY30	5.45%	5.30%	5.55%
FY31-FY38	5.30%	5.30%	5.30%
FY39	5.25%	5.25%	5.25%
FY40	5.20%	5.20%	5.20%
FY41	5.10%	5.10%	5.10%
FY42	5.05%	5.05%	5.05%
FY43	4.95%	4.95%	4.95%
FY44	4.90%	4.90%	4.90%
FY45	4.80%	4.80%	4.80%
FY46	4.75%	4.75%	4.75%
FY47	4.70%	4.70%	4.70%
FY48	4.60%	4.60%	4.60%
FY49	4.55%	4.55%	4.55%
FY50+	4.50%	4.50%	4.50%

Key Elements of OPEB formula:

Liability and contributions shown in the report are computed using the Entry Age Normal Actuarial Cost Method. Projected pension and post-employment healthcare benefits were determined for all active members. Cost factors designed to produce annual costs as a constant percentage of each member's expected compensation in each year from the assumed entry age to the assumed retirement age were applied to the projected benefits to determine the normal cost (the portion of the total cost of the plan allocated to the current year under the method). The normal cost is determined by summing intermediate results for active members and determining an average normal cost rate, which is then related to the total payroll of active members. The actuarial accrued liability for active members (the portion of the total cost of the plan allocated to prior years under the method) was determined as the excess of the actuarial present value of projected benefits over the actuarial present value of future normal costs.

The actuarial accrued liability for retired members, their beneficiaries currently receiving benefits, terminated vested members and disabled members not yet receiving benefits was determined as the actuarial present value of the benefits expected to be paid. No future normal costs are payable for these members.

The actuarial accrued liability under this method at any point in time is the theoretical amount of the fund that would have been accumulated had annual contributions equal to the normal cost been made in prior years (it does not represent the liability for benefits accrued to the valuation date). The unfunded actuarial accrued liability is the excess of the actuarial accrued liability over the actuarial value of plan assets measured on the valuation date.

Post-employment healthcare benefits:

For DB plan major medical benefits are provided to retirees and their surviving spouses by PERS for all employees hired before July 1, 1986, (Tier 1) and disabled retirees. Employees hired after June 30, 1986, (Tier 2) and their surviving spouses with five years of credited service (or ten years of credited service for those first hired after June 30, 1996, (Tier 3)) must pay the full monthly premium if they are under age sixty and will receive benefits paid by PERS if they are over age sixty. Tier 3 Members with between five and ten years of credited service must pay the full monthly premium regardless of their age. Tier 2 and Tier 3 members with less than five years of credited service are not eligible for post-employment healthcare benefits. Tier 2 members, who are receiving a conditional benefit and are age eligible, are eligible for post-employment healthcare benefits. Employees and their surviving spouses with thirty years of membership service receive benefits paid by PERS, regardless of their age or date of hire.

Medical, prescription drug, dental, vision and audio coverage is provided through the AlaskaCare Retiree Health Plan. Health plan provisions do not vary by retirement tier or age, except for Medicare coordination. Surviving spouses continue coverage only if a pension payment form that provided survivor benefits was elected. Where premiums are required prior to age 60, the valuation bases this payment upon the age of the retiree.

Starting in 2022, prior authorization will be required for certain special medications for all participants, while certain preventive benefits for pre-Medicare participants will now be covered by the plan.

Of those benefit recipients who are eligible for the COLA, 65% are assumed to remain in Alaska and receive COLA. 50%-75% of assumed inflation, or 1.25% and 1.875%, respectively, is valued for the annual automatic Post-Retirement Pension Adjustment ("PRPA").

For DC RM and DC ODD retirement eligibility: must retire from the plan and have 30 years of service or be eligible for Medicare and have 10 years of service. Once member becomes eligible for Medicare, the required contribution follows a set plan schedule. The plan's coverage is supplemental to Medicare, referred to in the industry as exclusion coordination. Medicare payment is deducted from the Medicare allowable expense and plan parameters are applied to the remaining amount. Starting in 2019, the prescription drug coverage will be through a Medicare Part D Employer Group Waiver Plan ("EGWP") arrangement. The premium for dependents who are not eligible for Medicare aligns with the member's subsidy. While a member is not Medicare-eligible, premiums are 100% of the estimated cost. Occupational Disability and Death benefit are 40% of salary at date of qualifying event. Medicare exclusion coordination applies to ODD benefits.

OPEB Asset:

The total net OPEB asset and total net liability for the six months ended December 31, 2025, are not available at this time.

For the year ended June 30, 2025, the total net OPEB Asset associated with the Corporation was \$14,472,000 and the total net OPEB Liability associated with the Corporation was zero.

For the year ended June 30, 2025, the Corporation reported an asset for its proportionate share of the net OPEB Asset (“NOA”) that reflected an increase for State OPEB support provided to the Corporation. The amount recognized by the Corporation for its proportional share, the related State proportion, and the total were as follows:

Corporation's proportionate share net OPEB asset:	2025
Corporation's proportionate share of NOA – DB	\$ 13,657,000
Corporation's proportionate share of NOA – DC RM	395,000
Corporation's proportionate share of NOA – DC ODD	420,000
Total net OPEB asset	\$ 14,472,000

The net OPEB asset was measured as of June 30, 2024, and the total OPEB asset used to calculate the new OPEB asset was determined by an actuarial valuation as of June 30, 2023, and rolled forward to June 30, 2024.

Corporation's Proportionate Share of the Net OPEB Asset:	June 30, 2023 Measurement Date Employer Proportion	June 30, 2024 Measurement Date Employer Proportion	Change
DB	0.65731%	0.62019%	(0.03711%)
DC RM	0.80048%	0.84646%	0.04598%
DC ODD	0.66985%	0.70295%	0.03310%

Changes in Benefit Provisions Since Prior Valuation of OPEB:

There have been no changes in PERS DCR benefit provisions valued since the prior valuation.

OPEB Expense:

For the year ended June 30, 2025, the Corporation recognized an increase of OPEB expense of \$1,410,000 and no support provided by the State.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended June 30, 2025, the Corporation reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources (in thousands):

Year Ended June 30, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 2,601	\$ -
Difference between expected and actual experience	17	(142)
Difference between projected and actual investment earnings	374	-
Changes in assumptions	341	(266)
Changes in proportion and differences between employer contributions	159	(30)
Total deferred outflows and deferred inflows	\$ 3,492	\$ (438)

Deferred outflows of resources related to OPEB resulting from contributions of \$2,601,000 reported subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Year Ended June 30,	Total
2026	\$ 2,268
2027	1,363
2028	(302)
2029	(242)
2030	(36)
Thereafter	3
	\$ 3,054

OPEB Discount rate:

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the Corporation and non-employer State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability in accordance with the method prescribed by GASB Statement No. 74.

Sensitivity of the Corporation's proportionate share of the net OPEB asset to changes in the discount rate:

The following presents the Corporation's proportionate share of the net OPEB asset using the discount rate of 7.25% and what it would be if the discount was 1-percentage-point (6.25%) lower or 1-percentage-point higher (8.25%), (in thousands).

Corporation's Proportionate Share of the Net OPEB Liability (Asset):	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
DB plan	0.62019%	\$ (8,648)	\$ (13,657)	\$ (17,873)
DC RM plan	0.84646%	\$ 68	\$ (395)	\$ (748)
DC ODD plan	0.70295%	\$ (394)	\$ (420)	\$ (440)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate:

The following presents the Corporation's net OPEB asset using current healthcare cost trend rates and comparing to a 1% increase and a 1% decrease of current healthcare costs trend rates, (in thousands).

Corporation's Proportionate Share of the Net OPEB Liability (Asset):	Proportional Share	1% Decrease	Current Trend Rate	1% Increase
DB plan	0.62019%	\$ (18,354)	\$ (13,657)	\$ (8,078)
DC RM plan	0.84646%	\$ (795)	\$ (395)	\$ 143
DC ODD plan	0.70295%	n/a	\$ (420)	n/a

OPEB plan's fiduciary net position:

All information regarding the Plan's assets, deferred outflow/inflow of resources, liabilities and fiduciary net position can be found in the PERS financial statements that are available to the public on the SOA website: <http://doa.alaska.gov/drb/employer/resources/gasb.html#.YMPxY6hKg2x>.

Annual Post-employment Healthcare Cost:

The annual postemployment healthcare cost for the six months ended December 31, 2025, is not available at this time.

For the year ended June 30, 2025, the Corporation recognized \$525,000 in DC OPEB costs. These amounts were recognized as expense.

22 OTHER COMMITMENTS AND CONTINGENCIES

Medical Self Insurance

During the fiscal year ended June 30, 1998, the Corporation began a program of self-insurance for employee medical benefits. Costs are billed directly to the Corporation by an Administrative Services Provider that processes all of the claims from the employees and their dependents. The Corporation has purchased a stop-loss policy that limits its liability to \$200,000 per employee per year. The Corporation provided an estimate of the incurred but not reported (IBNR) liability based on historic trends. Changes in the balances for the claims liabilities for the prior and current fiscal years are as follows (in thousands):

	June 30, 2025	December 31, 2025
Claims liabilities, beginning balance	\$ 2,468	\$ 2,253
Incurred claims	10,714	6,615
Claims payments	(10,929)	(6,597)
Claims liabilities, ending balance	\$ 2,253	\$ 2,271

Litigation

The Corporation, in the normal course of its activities, is involved in various claims and pending litigation, the outcome of which is not presently determinable. In the opinion of management, the disposition of these matters is not presently expected to have a material adverse effect on the Corporation's financial statements.

Contingent Liabilities

The Corporation participates in several federally assisted programs. These programs are subject to program compliance audits and adjustment by the grantor agencies or their representatives. Any disallowed claims, including amounts already collected, would become a liability of the Administrative Fund. In management's opinion, disallowance, if any, will be immaterial.

Subsequent Events

On February 4, 2026, AHFC executed a Bond Purchase Agreement with Raymond James & Associates, Inc. for the issuance of \$106,400,000 General Mortgage Revenue Bonds II, 2026 Series A. These are tax-exempt, fixed rate housing bonds to fund qualified first time homebuyer mortgage loans.

The Corporation will deliver its \$106,400,000 General Mortgage Revenue Bonds II, 2026 Series A, on March 17, 2026. The Series A Bonds are tax-exempt general obligations of the Corporation having a final maturity of December 1, 2056, and paying interest each June 1 and December 1 at fixed rates ranging from 3.35% to 6.00%. Proceeds of the Series A Bonds will be used to finance qualified mortgage loans.

23 RISK MANAGEMENT

The Corporation is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by various commercial insurance policies and contractual risk transfers. When the Corporation enters into agreements, contracts or grants, it requires insurance from the party with which the Corporation is doing business. This ensures that the party can adequately sustain any loss exposure, so the Corporation is not first in line in case of a loss. Cyber security coverage increased from \$5 million to \$8 million by the carrier's response to the market conditions. Settlements have not exceeded insurance coverage during the past three years.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Corporation's Proportionate Share of the Net Pension Liability (in thousands):

	2025	2024	2023	2022	2021
The Corporation's proportion of the net pension liability (asset)	0.618920%	0.658830%	0.692310%	0.783070%	0.629770%
The Corporation's proportionate share of the net pension liability (asset)	\$ 33,945	\$ 34,162	\$ 35,286	\$ 28,727	\$ 37,164
State's proportionate share of the net pension liability (asset) associated with the Corporation	12,692	11,386	9,767	3,891	15,376
Total	\$ 46,637	\$ 45,548	\$ 45,053	\$ 32,618	\$ 52,540
The Corporation's covered employee payroll	\$ 7,217	\$ 7,948	\$ 8,888	\$ 9,602	\$ 10,681
The Corporation's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	470.35%	429.83%	397.02%	299.18%	347.94%
Plan fiduciary net position as a percentage of the total pension liability	67.81%	68.23%	67.97%	76.46%	61.61%
	2020	2019	2018	2017	2016
The Corporation's proportion of the net pension liability (asset)	0.656900%	0.714740%	0.689820%	0.852380%	0.780600%
The Corporation's proportionate share of the net pension liability (asset)	\$ 35,960	\$ 35,515	\$ 35,660	\$ 47,645	\$ 37,859
State's proportionate share of the net pension liability (asset) associated with the Corporation	14,276	10,284	13,285	6,003	10,856
Total	\$ 50,236	\$ 45,799	\$ 48,945	\$ 53,648	\$ 48,715
The Corporation's covered employee payroll	\$ 11,680	\$ 12,583	\$ 13,817	\$ 15,252	\$ 16,314
The Corporation's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	307.88%	282.24%	258.10%	312.39%	232.06%
Plan fiduciary net position as a percentage of the total pension liability	63.42%	65.19%	63.37%	59.55%	63.96%

Information in this table is presented based on the Plan measurement date. For June 30, 2025, the plan measurement date is June 30, 2024.

The Plan is reporting no changes in benefit terms from the prior measurement period.

The Plan is reporting no changes in assumptions from the prior measurement period.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Corporation's Contributions to the Pension Plan (in thousands):

	2025	2024	2023	2022	2021
Contractually required contributions	\$ 3,377	\$ 3,518	\$ 3,448	\$ 2,474	\$ 2,292
Contributions in relation to the contractually required contributions	3,377	3,518	3,448	2,474	2,292
Contribution deficiency (excess)	-	-	-	-	-
The Corporation's covered employee payroll	7,333	7,217	7,948	8,888	9,602
Contributions as a percentage of covered-employee payroll	46.05%	48.75%	43.38%	27.83%	23.87%
	2020	2019	2018	2017	2016
Contractually required contributions	\$ 2,561	\$ 2,727	\$ 2,932	\$ 2,679	\$ 2,475
Contributions in relation to the contractually required contributions	2,561	2,727	2,932	2,679	2,475
Contribution deficiency (excess)	-	-	-	-	-
The Corporation's covered employee payroll	10,681	11,680	12,583	13,817	15,252
Contributions as a percentage of covered-employee payroll	23.98%	23.35%	23.30%	19.39%	16.23%

This table reports the Corporation's pension contributions to PERS during fiscal year 2025. These contributions are reported as a deferred outflow of resources on the June 30, 2025, basic financial statements.

This pension table presents 10 years of information.

The Plan is reporting no changes in benefit terms from the prior measurement period.

The Plan is reporting no changes in assumptions from the prior measurement period.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Corporation's Proportionate Share of the Net OPEB Liability (in thousands):

	2025	2024	2023	2022	2021
The Corporation's proportion of the net OPEB liability (asset) for Defined Benefit - Retiree Medical	0.62019%	0.65731%	0.68763%	0.78626%	0.62960%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Retiree Medical Plan	0.84645%	0.80048%	0.79810%	0.76797%	0.74451%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Occupational Death & Disability Plan	0.70295%	0.66985%	0.67357%	0.64746%	0.60268%
The Corporation's proportionate share of the net OPEB liability (asset)	\$ (14,472)	\$ (15,848)	\$ (14,102)	\$ (20,661)	\$ (2,963)
State's proportionate share of the net OPEB liability (asset) associated with the Corporation	(5,075)	(5,091)	(3,868)	(2,642)	(1,183)
Total	\$ (19,547)	\$ (20,939)	\$ (17,970)	\$ (23,303)	\$ (4,146)
The Corporation's covered employee payroll	\$ 22,738	\$ 21,649	\$ 21,489	\$ 20,850	\$ 20,890
The Corporation's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	(63.65%)	(73.20%)	(65.62%)	(99.09%)	(14.18%)
Defined Benefit - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	130.59%	133.96%	128.51%	135.54%	106.15%
Defined Contribution - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	119.87%	124.29%	120.08%	115.10%	95.23%
Defined Contribution - Occupational Death & Disability Plan fiduciary net position as a percentage of the total OPEB liability	346.81%	349.24%	348.80 %	374.22%	283.80%

Information in this table is presented based on the Plan measurement date. For June 30, 2025, the plan measurement date is June 30, 2024.

This OPEB table is intended to present 10 years of information. Additional years will be added to the schedule as they become available.

Defined Benefit - Retiree Medical Plan is reporting no changes in benefit terms from the prior measurement period.

The Plan is reporting no changes in assumptions from the prior measurement period.

Defined Contribution Pension Plans (Retiree Medical Plan and Occupational Death & Disability Plan) are reporting the following changes in benefit terms from the prior measurement period:

- Updated non-Medicare eligible dependent coverage premiums to reflect subsidy when the member is Medicare-eligible.
- Updated factors used to adjust the defined benefit plan costs to reflect adopted Defined Contribution Retiree Medical plan design.

Schedule of the Corporation's Proportionate Share of the Net OPEB Liability (in thousands) (cont.):

	2020	2019	2018	2017
The Corporation's proportion of the net OPEB liability (asset) for Defined Benefit - Retiree Medical	0.65680%	0.71458%	0.68992%	0.85265%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Retiree Medical Plan	0.69949%	0.71095%	0.70310%	0.66252%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Occupational Death & Disability Plan	0.55609%	0.71095%	0.70310%	0.66252%
The Corporation's proportionate share of the net OPEB liability (asset)	\$ 1,007	\$ 7,286	\$ 5,765	\$ 9,752
State's proportionate share of the net OPEB liability (asset) associated with the Corporation	388	2,129	2,173	-
Total	\$ 1,395	\$ 9,415	\$ 7,938	\$ 9,752
The Corporation's covered employee payroll	\$ 20,775	\$ 20,629	\$ 21,133	\$ 21,629
The Corporation's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	4.85%	35.32%	27.28%	45.09%
Defined Benefit - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	98.13%	88.12%	89.68%	85.45%
Defined Contribution - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	83.17%	88.71%	93.98%	86.82%
Defined Contribution - Occupational Death & Disability Plan fiduciary net position as a percentage of the total OPEB liability	297.43%	270.62%	212.97%	245.29%

Information in this table is presented based on the Plan measurement date. For June 30, 2025, the plan measurement date is June 30, 2024.

This OPEB table is intended to present 10 years of information. Additional years will be added to the schedule as they become available.

Defined Benefit - Retiree Medical Plan is reporting no changes in benefit terms from the prior measurement period.

The Plan is reporting no changes in assumptions from the prior measurement period.

Defined Contribution Pension Plans (Retiree Medical Plan and Occupational Death & Disability Plan) are reporting the following changes in benefit terms from the prior measurement period:

- Updated non-Medicare eligible dependent coverage premiums to reflect subsidy when the member is Medicare-eligible.
- Updated factors used to adjust the defined benefit plan costs to reflect adopted Defined Contribution Retiree Medical plan design.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Corporation's Contributions to the OPEB Plan (in thousands):

	2025	2024	2023	2022	2021
Contractually required contributions	\$ 716	\$ 678	\$ 623	\$ 1,609	\$ 1,712
Contributions in relation to the contractually required contributions	716	678	623	1,609	1,712
Contribution deficiency (excess)	-	-	-	-	-
The Corporation's covered employee payroll	25,171	22,738	21,649	21,489	20,850
Contributions as a percentage of covered-employee payroll	2.85%	2.98%	2.88%	7.49%	8.21%
	2020	2019	2018	2017	
Contractually required contributions	\$ 1,520	\$ 1,434	\$ 1,287	\$ 1,689	
Contributions in relation to the contractually required contributions	1,520	1,434	1,287	1,689	
Contribution deficiency (excess)	-	-	-	-	
The Corporation's covered employee payroll	20,890	20,775	20,629	21,133	
Contributions as a percentage of covered-employee payroll	7.28%	6.90%	6.24%	7.99%	

This table reports the Corporation's OPEB contributions to SOA during fiscal year 2025. These contributions are reported as a deferred outflow of resources on the June 30, 2025, basic financial statements.

This OPEB table is intended to present 10 years of information. Additional years will be added to the schedule as they become available.

Defined Benefit - Retiree Medical Plan is reporting no changes in benefit terms from the prior measurement period.

Defined Contribution Pension Plans (Retiree Medical Plan and Occupational Death & Disability Plan) are reporting the following changes in benefit terms from the prior measurement period:

- Updated non-Medicare eligible dependent coverage premiums to reflect subsidy when the member is Medicare-eligible.
- Updated factors used to adjust the defined benefit plan costs to reflect adopted Defined Contribution Retiree Medical plan design.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

COMBINED - ALL FUNDS

As of December 31, 2025

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Assets					
Current					
Cash	\$ 25,414	\$ -	\$ -	\$ -	\$ -
Investments	409,366	12,750	22,920	13,711	11,395
Lease receivable	-	-	-	-	-
Accrued interest receivable	1,979	2,990	3,747	1,259	354
Inter-fund due (to)/from, net	(39,275)	8,955	12,855	3,550	1,800
Mortgage loans, notes and other loans, net	9,343	18,311	32,022	9,222	4,687
Other assets	3,293	-	-	-	-
Intergovernmental receivable, net	108	-	-	-	-
Total current	410,228	43,006	71,544	27,742	18,236
Non current					
Investments	23,935	10,000	13,632	-	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from, net	-	-	-	-	-
Mortgage loans, notes and other loans, net	274,042	592,013	1,035,372	298,213	151,538
Capital assets - non-depreciable	2,430	-	-	-	-
Capital assets - depreciable, net	8,859	-	-	-	-
Other assets	2,240	-	-	-	911
OPEB asset	14,472	-	-	-	-
Total non current	325,978	602,013	1,049,004	298,213	152,449
Total assets	736,206	645,019	1,120,548	325,955	170,685
Deferred Outflow Of Resources	5,977	30,120	-	-	1,133
Liabilities					
Current					
Bonds payable	-	16,830	21,455	5,015	8,205
Short term debt	99,543	-	-	-	-
Accrued interest payable	-	1,176	2,909	873	138
Other liabilities	7,119	163	253	66	33
Intergovernmental payable	-	-	-	-	-
Total current	106,662	18,169	24,617	5,954	8,376
Non current					
Bonds payable	-	383,675	866,135	249,059	35,451
Other liabilities	2,471	-	603	24	-
Derivative instrument - interest rate swaps	-	25,622	-	-	1,133
Pension liability	33,945	-	-	-	-
Total non current	36,416	409,297	866,738	249,083	36,584
Total liabilities	143,078	427,466	891,355	255,037	44,960
Deferred Inflow Of Resources	438	-	-	-	-
Net Position					
Net investment in capital assets	11,289	-	-	-	-
Restricted by bond resolutions	-	247,673	229,193	70,918	126,858
Restricted by contractual or statutory agreements	193,359	-	-	-	-
Unrestricted or (deficit)	394,019	-	-	-	-
Total net position	\$ 598,667	\$ 247,673	\$ 229,193	\$ 70,918	\$ 126,858

See accompanying notes to the financial statements.

Combined State Capital Project Bonds	Combined Other Programs	Total December 31, 2025
\$ 75	\$ 49,993	\$ 75,482
44,877	32	515,051
2,935	3,325	6,260
6,186	289	16,804
19,036	(6,921)	-
46,340	1,655	121,580
-	16,859	20,152
-	11,792	11,900
119,449	77,024	767,229
-	-	47,567
4,427	-	4,427
-	-	-
1,498,326	77,483	3,926,987
-	33,614	36,044
-	42,220	51,079
1,443	266	4,860
-	-	14,472
1,504,196	153,583	4,085,436
1,623,645	230,607	4,852,665
6,117	-	43,347
47,155	-	98,660
-	-	99,543
4,662	-	9,758
320	23,696	31,650
75	-	75
52,212	23,696	239,686
1,316,973	-	2,851,293
-	446	3,544
-	-	26,755
-	-	33,945
1,316,973	446	2,915,537
1,369,185	24,142	3,155,223
8,413	3,092	11,943
-	75,834	87,123
-	-	674,642
-	169,572	362,931
252,164	(42,033)	604,150
\$ 252,164	\$ 203,373	\$ 1,728,846

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

ADMINISTRATIVE FUND

As of December 31, 2025

(in thousands of dollars)

	Administrative Fund	Total December 31, 2025
Assets		
Current		
Cash	\$ 25,414	\$ 25,414
Investments	409,366	409,366
Lease receivable	-	-
Accrued interest receivable	1,979	1,979
Inter-fund due (to)/from, net	(39,275)	(39,275)
Mortgage loans, notes and other loans, net	9,343	9,343
Other assets	3,293	3,293
Intergovernmental receivable, net	108	108
Total current	410,228	410,228
Non current		
Investments	23,935	23,935
Lease receivable	-	-
Inter-fund due (to)/from, net	-	-
Mortgage loans, notes and other loans, net	274,042	274,042
Capital assets - non-depreciable	2,430	2,430
Capital assets - depreciable, net	8,859	8,859
Other assets	2,240	2,240
OPEB asset	14,472	14,472
Total non current	325,978	325,978
Total assets	736,206	736,206
Deferred Outflow Of Resources	5,977	5,977
Liabilities		
Current		
Bonds payable	-	-
Short term debt	99,543	99,543
Accrued interest payable	-	-
Other liabilities	7,119	7,119
Intergovernmental payable	-	-
Total current	106,662	106,662
Non current		
Bonds payable	-	-
Other liabilities	2,471	2,471
Derivative instrument - interest rate swaps	-	-
Pension liability	33,945	33,945
Total non current	36,416	36,416
Total liabilities	143,078	143,078
Deferred Inflow Of Resources	438	438
Net Position		
Net investment in capital assets	11,289	11,289
Restricted by bond resolutions	-	-
Restricted by contractual or statutory agreements	193,359	193,359
Unrestricted or (deficit)	394,019	394,019
Total net position	\$ 598,667	\$ 598,667

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

HOME MORTGAGE REVENUE BONDS

As of December 31, 2025

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Assets					
Current					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	933	2,169	1,200	1,146	2,129
Lease receivable	-	-	-	-	-
Accrued interest receivable	222	196	180	245	300
Inter-fund due (to)/from, net	1,262	925	395	1,357	2,093
Mortgage loans, notes and other loans, net	1,849	1,703	1,684	2,434	3,003
Other assets	-	-	-	-	-
Intergovernmental receivable, net	-	-	-	-	-
Total current	4,266	4,993	3,459	5,182	7,525
Non current					
Investments	-	-	-	-	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from, net	-	-	-	-	-
Mortgage loans, notes and other loans, net	59,778	55,058	54,464	78,684	97,081
Capital assets - non-depreciable	-	-	-	-	-
Capital assets - depreciable, net	-	-	-	-	-
Other assets	-	-	-	-	-
OPEB asset	-	-	-	-	-
Total non current	59,778	55,058	54,464	78,684	97,081
Total assets	64,044	60,051	57,923	83,866	104,606
Deferred Outflow Of Resources	271	4,636	4,632	5,492	5,061
Liabilities					
Current					
Bonds payable	-	2,430	2,430	2,900	3,025
Short term debt	-	-	-	-	-
Accrued interest payable	46	171	171	203	195
Other liabilities	17	17	15	22	26
Intergovernmental payable	-	-	-	-	-
Total current	63	2,618	2,616	3,125	3,246
Non current					
Bonds payable	19,405	55,360	55,360	65,940	62,540
Other liabilities	-	-	-	-	-
Derivative instrument - interest rate swaps	271	3,870	3,866	4,553	4,377
Pension liability	-	-	-	-	-
Total non current	19,676	59,230	59,226	70,493	66,917
Total liabilities	19,739	61,848	61,842	73,618	70,163
Deferred Inflow Of Resources	-	-	-	-	-
Net Position					
Net investment in capital assets	-	-	-	-	-
Restricted by bond resolutions	44,576	2,839	713	15,740	39,504
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	-	-	-	-	-
Total net position	\$ 44,576	\$ 2,839	\$ 713	\$ 15,740	\$ 39,504

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total December 31, 2025
\$ -	\$ -	\$ -
1,983	3,190	12,750
-	-	-
323	1,524	2,990
1,233	1,690	8,955
3,240	4,398	18,311
-	-	-
-	-	-
6,779	10,802	43,006
-	10,000	10,000
-	-	-
-	-	-
104,747	142,201	592,013
-	-	-
-	-	-
-	-	-
-	-	-
104,747	152,201	602,013
111,526	163,003	645,019
5,061	4,967	30,120
3,025	3,020	16,830
-	-	-
196	194	1,176
27	39	163
-	-	-
3,248	3,253	18,169
62,540	62,530	383,675
-	-	-
4,377	4,308	25,622
-	-	-
66,917	66,838	409,297
70,165	70,091	427,466
-	-	-
-	-	-
46,422	97,879	247,673
-	-	-
-	-	-
\$ 46,422	\$ 97,879	\$ 247,673

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

GENERAL MORTGAGE REVENUE BONDS

As of December 31, 2025

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B	General Mortgage Revenue Bonds II 2022 A & B
Assets					
Current					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	721	1,323	1,941	11,544	1,968
Lease receivable	-	-	-	-	-
Accrued interest receivable	109	361	345	618	436
Inter-fund due (to)/from, net	350	829	988	2,703	1,348
Mortgage loans, notes and other loans, net	1,440	2,719	3,321	6,219	5,312
Other assets	-	-	-	-	-
Intergovernmental receivable, net	-	-	-	-	-
Total current	2,620	5,232	6,595	21,084	9,064
Non current					
Investments	-	-	-	13,632	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from, net	-	-	-	-	-
Mortgage loans, notes and other loans, net	46,567	87,926	107,372	201,069	171,742
Capital assets - non-depreciable	-	-	-	-	-
Capital assets - depreciable, net	-	-	-	-	-
Other assets	-	-	-	-	-
OPEB asset	-	-	-	-	-
Total non current	46,567	87,926	107,372	214,701	171,742
Total assets	49,187	93,158	113,967	235,785	180,806
Deferred Outflow Of Resources	-	-	-	-	-
Liabilities					
Current					
Bonds payable	4,720	2,285	3,870	4,335	910
Short term debt	-	-	-	-	-
Accrued interest payable	59	159	235	388	338
Other liabilities	12	23	26	50	42
Intergovernmental payable	-	-	-	-	-
Total current	4,791	2,467	4,131	4,773	1,290
Non current					
Bonds payable	21,160	42,054	92,126	165,574	122,717
Other liabilities	-	-	-	-	461
Derivative instrument - interest rate swaps	-	-	-	-	-
Pension liability	-	-	-	-	-
Total non current	21,160	42,054	92,126	165,574	123,178
Total liabilities	25,951	44,521	96,257	170,347	124,468
Deferred Inflow Of Resources	-	-	-	-	-
Net Position					
Net investment in capital assets	-	-	-	-	-
Restricted by bond resolutions	23,236	48,637	17,710	65,438	56,338
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	-	-	-	-	-
Total net position	\$ 23,236	\$ 48,637	\$ 17,710	\$ 65,438	\$ 56,338

See accompanying notes to the financial statements.

General Mortgage Revenue Bonds II 2022 C	General Mortgage Revenue Bonds II 2024 A,B & C	General Mortgage Revenue Bonds II 2025 A	Total December 31, 2025
\$ -	\$ -	\$ -	\$ -
931	3,532	960	22,920
-	-	-	-
301	1,099	478	3,747
879	4,696	1,062	12,855
2,325	7,401	3,285	32,022
-	-	-	-
-	-	-	-
4,436	16,728	5,785	71,544
-	-	-	13,632
-	-	-	-
-	-	-	-
75,174	239,302	106,220	1,035,372
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
75,174	239,302	106,220	1,049,004
79,610	256,030	112,005	1,120,548
-	-	-	-
1,470	2,420	1,445	21,455
-	-	-	-
303	1,017	410	2,909
21	57	22	253
-	-	-	-
1,794	3,494	1,877	24,617
77,075	236,176	109,253	866,135
76	66	-	603
-	-	-	-
-	-	-	-
77,151	236,242	109,253	866,738
78,945	239,736	111,130	891,355
-	-	-	-
-	-	-	-
665	16,294	875	229,193
-	-	-	-
-	-	-	-
\$ 665	\$ 16,294	\$ 875	\$ 229,193

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

COLLATERALIZED VETERANS MORTGAGE BONDS

As of December 31, 2025

(in thousands of dollars)

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Collateralized Bonds, 2023 1st Series	Collateralized Bonds, 2024 1st Series	Collateralized Bonds, 2025 1st Series
Assets					
Current					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	663	7,407	1,614	2,742	1,285
Lease receivable	-	-	-	-	-
Accrued interest receivable	52	266	192	287	462
Inter-fund due (to)/from, net	324	653	331	1,049	1,193
Mortgage loans, notes and other loans, net	788	1,898	1,435	2,166	2,935
Other assets	-	-	-	-	-
Intergovernmental receivable, net	-	-	-	-	-
Total current	1,827	10,224	3,572	6,244	5,875
Non current					
Investments	-	-	-	-	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from, net	-	-	-	-	-
Mortgage loans, notes and other loans, net	25,475	61,372	46,414	70,038	94,914
Capital assets - non-depreciable	-	-	-	-	-
Capital assets - depreciable, net	-	-	-	-	-
Other assets	-	-	-	-	-
OPEB asset	-	-	-	-	-
Total non current	25,475	61,372	46,414	70,038	94,914
Total assets	27,302	71,596	49,986	76,282	100,789
Deferred Outflow Of Resources	-	-	-	-	-
Liabilities					
Current					
Bonds payable	2,190	890	-	-	1,935
Short term debt	-	-	-	-	-
Accrued interest payable	44	22	176	263	368
Other liabilities	4	17	11	12	22
Intergovernmental payable	-	-	-	-	-
Total current	2,238	929	187	275	2,325
Non current					
Bonds payable	18,605	7,898	49,900	74,591	98,065
Other liabilities	-	-	24	-	-
Derivative instrument - interest rate swaps	-	-	-	-	-
Pension liability	-	-	-	-	-
Total non current	18,605	7,898	49,924	74,591	98,065
Total liabilities	20,843	8,827	50,111	74,866	100,390
Deferred Inflow Of Resources	-	-	-	-	-
Net Position					
Net investment in capital assets	-	-	-	-	-
Restricted by bond resolutions	6,459	62,769	(125)	1,416	399
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	-	-	-	-	-
Total net position	\$ 6,459	\$ 62,769	\$ (125)	\$ 1,416	\$ 399

See accompanying notes to the financial statements.

**Total
December 31,
2025**

\$ -
13,711
-
1,259
3,550
9,222
-
-
27,742

-
-
-
298,213
-
-
-
-

298,213
325,955

-
5,015
-
873
66
-
5,954

249,059
24
-
-

249,083
255,037

-

-
70,918
-
-

\$ 70,918

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

GOVERNMENTAL PURPOSE BONDS

As of December 31, 2025

(in thousands of dollars)

	Governmental Purpose Bonds 2001 A & B	Total December 31, 2025
Assets		
Current		
Cash	\$ -	\$ -
Investments	11,395	11,395
Lease receivable	-	-
Accrued interest receivable	354	354
Inter-fund due (to)/from, net	1,800	1,800
Mortgage loans, notes and other loans, net	4,687	4,687
Other assets	-	-
Intergovernmental receivable, net	-	-
Total current	18,236	18,236
Non current		
Investments	-	-
Lease receivable	-	-
Inter-fund due (to)/from, net	-	-
Mortgage loans, notes and other loans, net	151,538	151,538
Capital assets - non-depreciable	-	-
Capital assets - depreciable, net	-	-
Other assets	911	911
OPEB asset	-	-
Total non current	152,449	152,449
Total assets	170,685	170,685
Deferred Outflow Of Resources	1,133	1,133
Liabilities		
Current		
Bonds payable	8,205	8,205
Short term debt	-	-
Accrued interest payable	138	138
Other liabilities	33	33
Intergovernmental payable	-	-
Total current	8,376	8,376
Non current		
Bonds payable	35,451	35,451
Other liabilities	-	-
Derivative instrument - interest rate swaps	1,133	1,133
Pension liability	-	-
Total non current	36,584	36,584
Total liabilities	44,960	44,960
Deferred Inflow Of Resources	-	-
Net Position		
Net investment in capital assets	-	-
Restricted by bond resolutions	126,858	126,858
Restricted by contractual or statutory agreements	-	-
Unrestricted or (deficit)	-	-
Total net position	\$ 126,858	\$ 126,858

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

STATE CAPITAL PROJECT BONDS

As of December 31, 2025

(in thousands of dollars)

Schedule 7

	State Capital Project Bonds II	Total December 31, 2025
Assets		
Current		
Cash	\$ 75	\$ 75
Investments	44,877	44,877
Lease receivable	2,935	2,935
Accrued interest receivable	6,186	6,186
Inter-fund due (to)/from, net	19,036	19,036
Mortgage loans, notes and other loans, net	46,340	46,340
Other assets	-	-
Intergovernmental receivable, net	-	-
Total current	119,449	119,449
Non current		
Investments	-	-
Lease receivable	4,427	4,427
Inter-fund due (to)/from, net	-	-
Mortgage loans, notes and other loans, net	1,498,326	1,498,326
Capital assets - non-depreciable	-	-
Capital assets - depreciable, net	-	-
Other assets	1,443	1,443
OPEB asset	-	-
Total non current	1,504,196	1,504,196
Total assets	1,623,645	1,623,645
Deferred Outflow Of Resources	6,117	6,117
Liabilities		
Current		
Bonds payable	47,155	47,155
Short term debt	-	-
Accrued interest payable	4,662	4,662
Other liabilities	320	320
Intergovernmental payable	75	75
Total current	52,212	52,212
Non current		
Bonds payable	1,316,973	1,316,973
Other liabilities	-	-
Derivative instrument - interest rate swaps	-	-
Pension liability	-	-
Total non current	1,316,973	1,316,973
Total liabilities	1,369,185	1,369,185
Deferred Inflow Of Resources	8,413	8,413
Net Position		
Net investment in capital assets	-	-
Restricted by bond resolutions	-	-
Restricted by contractual or statutory agreements	-	-
Unrestricted or (deficit)	252,164	252,164
Total net position	\$ 252,164	\$ 252,164

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

OTHER PROGRAM FUNDS

As of December 31, 2025

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Assets					
Current					
Cash	\$ 16,576	\$ 15,127	\$ -	\$ -	\$ 31,703
Investments	-	-	-	32	32
Lease receivable	61	-	-	-	61
Accrued interest receivable	-	-	22	122	144
Inter-fund due (to)/from, net	(1,933)	(800)	115	541	(2,077)
Mortgage loans, notes and other loans, net	-	-	418	1,203	1,621
Other assets	2,339	355	-	-	2,694
Intergovernmental receivable, net	563	5	-	-	568
Total current	17,606	14,687	555	1,898	34,746
Non current					
Investments	-	-	-	-	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from, net	-	-	-	-	-
Mortgage loans, notes and other loans, net	-	-	13,521	38,904	52,425
Capital assets - non-depreciable	13,757	1,950	-	-	15,707
Capital assets - depreciable, net	27,444	8,810	-	-	36,254
Other assets	19	1	-	-	20
OPEB asset	-	-	-	-	-
Total non current	41,220	10,761	13,521	38,904	104,406
Total assets	58,826	25,448	14,076	40,802	139,152
Deferred Outflow Of Resources	-	-	-	-	-
Liabilities					
Current					
Bonds payable	-	-	-	-	-
Short term debt	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Other liabilities	857	231	2	8	1,098
Intergovernmental payable	-	-	-	-	-
Total current	857	231	2	8	1,098
Non current					
Bonds payable	-	-	-	-	-
Other liabilities	17	-	-	-	17
Derivative instrument - interest rate swaps	-	-	-	-	-
Pension liability	-	-	-	-	-
Total non current	17	-	-	-	17
Total liabilities	874	231	2	8	1,115
Deferred Inflow Of Resources	49	-	-	-	49
Net Position					
Net investment in capital assets	41,201	10,760	-	-	51,961
Restricted by bond resolutions	-	-	-	-	-
Restricted by contractual or statutory agreements	16,702	14,494	14,074	40,794	86,064
Unrestricted or (deficit)	-	(37)	-	-	(37)
Total net position	\$ 57,903	\$ 25,217	\$ 14,074	\$ 40,794	\$ 137,988

See accompanying notes to the financial statements.

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total December 31, 2025
\$ 432	\$ 1,011	\$ -	\$ 6,322	\$ 7,765	\$ 10,525	\$ 49,993
-	-	-	-	-	-	32
-	-	-	-	-	3,264	3,325
-	-	-	-	-	145	289
(219)	(2,715)	(11,342)	9,550	(4,726)	(118)	(6,921)
-	-	34	-	34	-	1,655
925	749	5,577	6,455	13,706	459	16,859
1,795	54	9,375	-	11,224	-	11,792
2,933	(901)	3,644	22,327	28,003	14,275	77,024
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,423	-	1,423	(1,423)	-
-	-	935	-	935	24,123	77,483
-	1,832	500	10,835	13,167	4,740	33,614
-	5,966	-	-	5,966	-	42,220
-	245	-	-	245	1	266
-	-	-	-	-	-	-
-	8,043	2,858	10,835	21,736	27,441	153,583
2,933	7,142	6,502	33,162	49,739	41,716	230,607
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	228	-	21,558	21,786	812	23,696
-	-	-	-	-	-	-
-	228	-	21,558	21,786	812	23,696
-	-	-	-	-	-	-
-	239	-	-	239	190	446
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	239	-	-	239	190	446
-	467	-	21,558	22,025	1,002	24,142
-	-	-	-	-	3,043	3,092
-	7,798	500	10,835	19,133	4,740	75,834
-	-	-	-	-	-	-
3,098	10,757	8,511	28,181	50,547	32,961	169,572
(165)	(11,880)	(2,509)	(27,412)	(41,966)	(30)	(42,033)
\$ 2,933	\$ 6,675	\$ 6,502	\$ 11,604	\$ 27,714	\$ 37,671	\$ 203,373

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

COMBINED - ALL FUNDS

For the Year Ended December 31, 2025

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Operating Revenues					
Mortgage and loan revenue	\$ 7,412	\$ 12,661	\$ 24,914	\$ 7,749	\$ 2,174
Investment interest	7,074	2,137	1,398	294	256
Net change in the fair value of investments	618	37	136	119	207
Total investment revenue	<u>7,692</u>	<u>2,174</u>	<u>1,534</u>	<u>413</u>	<u>463</u>
Grant revenue	-	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	5	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	-	-
Other revenue	1,333	-	-	-	-
Total operating revenues	<u>16,442</u>	<u>14,835</u>	<u>26,448</u>	<u>8,162</u>	<u>2,637</u>
Operating expenses					
Interest	1,045	6,618	14,833	4,138	934
Mortgage and loan costs	1,993	1,106	1,743	430	229
Bond financing expenses	205	757	99	1,116	82
Provision for loan loss	301	160	(180)	969	22
Operations and administration	11,201	573	1,012	170	135
Rental housing operating expenses	-	-	-	-	-
Grant expense	-	-	-	-	-
Total operating expenses	<u>14,745</u>	<u>9,214</u>	<u>17,507</u>	<u>6,823</u>	<u>1,402</u>
Operating income (loss)	<u>1,697</u>	<u>5,621</u>	<u>8,941</u>	<u>1,339</u>	<u>1,235</u>
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	(1,583)	-	-	-	-
Interfund receipts (payments) for operations	106,112	(1,359)	2,414	(3,344)	176
Change in net position	<u>106,226</u>	<u>4,262</u>	<u>11,355</u>	<u>(2,005)</u>	<u>1,411</u>
Net position at beginning of year	492,441	243,411	217,838	72,923	125,447
Net position at end of period	<u>\$ 598,667</u>	<u>\$ 247,673</u>	<u>\$ 229,193</u>	<u>\$ 70,918</u>	<u>\$ 126,858</u>

See accompanying notes to the financial statements.

Combined State Capital Project Bonds	Combined Other Programs	Total December 31, 2025
\$ 40,970	\$ 1,185	\$ 97,065
1,417	618	13,194
1,199	1	2,317
<u>2,616</u>	<u>619</u>	<u>15,511</u>
-	60,079	60,079
-	6,981	6,981
-	6,678	6,683
-	-	-
-	305	1,638
<u>43,586</u>	<u>75,847</u>	<u>187,957</u>
25,121	-	52,689
2,194	71	7,766
1,199	-	3,458
170	620	2,062
1,070	17,845	32,006
-	6,961	6,961
-	51,814	51,814
<u>29,754</u>	<u>77,311</u>	<u>156,756</u>
<u>13,832</u>	<u>(1,464)</u>	<u>31,201</u>
-	-	(1,583)
(116,754)	12,755	-
<u>(102,922)</u>	<u>11,291</u>	<u>29,618</u>
355,086	192,082	1,699,228
<u>\$ 252,164</u>	<u>\$ 203,373</u>	<u>\$ 1,728,846</u>

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

ADMINISTRATIVE FUND

For the Year Ended December 31, 2025

(in thousands of dollars)

	<u>Administrative Fund</u>	<u>Total December 31, 2025</u>
Operating Revenues		
Mortgage and loan revenue	\$ 7,412	\$ 7,412
Investment interest	7,074	7,074
Net change in the fair value of investments	618	618
Total investment revenue	<u>7,692</u>	<u>7,692</u>
Grant revenue	-	-
Housing rental subsidies	-	-
Rental revenue	5	5
Gain (loss) on disposal of capital assets	-	-
Other revenue	1,333	1,333
Total operating revenues	<u>16,442</u>	<u>16,442</u>
Operating expenses		
Interest	1,045	1,045
Mortgage and loan costs	1,993	1,993
Bond financing expenses	205	205
Provision for loan loss	301	301
Operations and administration	11,201	11,201
Rental housing operating expenses	-	-
Grant expense	-	-
Total operating expenses	<u>14,745</u>	<u>14,745</u>
Operating income (loss)	<u>1,697</u>	<u>1,697</u>
Non-operating expenses and transfers		
Contributions to State of Alaska or State agencies	(1,583)	(1,583)
Interfund receipts (payments) for operations	106,112	106,112
Change in net position	<u>106,226</u>	<u>106,226</u>
Net position at beginning of year	492,441	492,441
Net position at end of period	<u>\$ 598,667</u>	<u>\$ 598,667</u>

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

HOME MORTGAGE REVENUE BONDS

For the Year Ended December 31, 2025

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Operating Revenues					
Mortgage and loan revenue	\$ 1,477	\$ 1,216	\$ 1,185	\$ 1,640	\$ 1,975
Investment interest	112	92	74	97	148
Net change in the fair value of investments	8	5	5	5	9
Total investment revenue	120	97	79	102	157
Grant revenue	-	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	-	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	-	-
Other revenue	-	-	-	-	-
Total operating revenues	1,597	1,313	1,264	1,742	2,132
Operating expenses					
Interest	351	953	957	1,132	1,074
Mortgage and loan costs	123	107	100	153	178
Bond financing expenses	35	98	101	116	138
Provision for loan loss	34	3	6	9	20
Operations and administration	82	59	55	73	82
Rental housing operating expenses	-	-	-	-	-
Grant expense	-	-	-	-	-
Total operating expenses	625	1,220	1,219	1,483	1,492
Operating income (loss)	972	93	45	259	640
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	-	-	-	-	-
Interfund receipts (payments) for operations	117	157	155	189	220
Change in net position	1,089	250	200	448	860
Net position at beginning of year	43,487	2,589	513	15,292	38,644
Net position at end of period	\$ 44,576	\$ 2,839	\$ 713	\$ 15,740	\$ 39,504

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total December 31, 2025
\$ 2,098	\$ 3,070	\$ 12,661
143	1,471	2,137
11	(6)	37
<u>154</u>	<u>1,465</u>	<u>2,174</u>
-	-	-
-	-	-
-	-	-
-	-	-
<u>2,252</u>	<u>4,535</u>	<u>14,835</u>
1,080	1,071	6,618
181	264	1,106
132	137	757
37	51	160
85	137	573
-	-	-
-	-	-
<u>1,515</u>	<u>1,660</u>	<u>9,214</u>
<u>737</u>	<u>2,875</u>	<u>5,621</u>
-	-	-
<u>216</u>	<u>(2,413)</u>	<u>(1,359)</u>
953	462	4,262
45,469	97,417	243,411
<u>\$ 46,422</u>	<u>\$ 97,879</u>	<u>\$ 247,673</u>

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

GENERAL MORTGAGE REVENUE BONDS

For the Year Ended December 31, 2025

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B	General Mortgage Revenue Bonds II 2022 A & B
Operating Revenues					
Mortgage and loan revenue	\$ 776	\$ 2,544	\$ 2,093	\$ 3,519	\$ 2,957
Investment interest	51	106	111	608	125
Net change in the fair value of investments	-	-	-	136	-
Total investment revenue	<u>51</u>	<u>106</u>	<u>111</u>	<u>744</u>	<u>125</u>
Grant revenue	-	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	-	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	-	-
Other revenue	-	-	-	-	-
Total operating revenues	<u>827</u>	<u>2,650</u>	<u>2,204</u>	<u>4,263</u>	<u>3,082</u>
Operating expenses					
Interest	364	729	1,167	1,528	1,203
Mortgage and loan costs	84	164	188	335	289
Bond financing expenses	1	1	2	5	52
Provision for loan loss	(19)	(5)	(19)	(31)	34
Operations and administration	64	96	134	223	141
Rental housing operating expenses	-	-	-	-	-
Grant expense	-	-	-	-	-
Total operating expenses	<u>494</u>	<u>985</u>	<u>1,472</u>	<u>2,060</u>	<u>1,719</u>
Operating income (loss)	<u>333</u>	<u>1,665</u>	<u>732</u>	<u>2,203</u>	<u>1,363</u>
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	-	-	-	-	-
Interfund receipts (payments) for operations	65	355	294	227	5,055
Change in net position	<u>398</u>	<u>2,020</u>	<u>1,026</u>	<u>2,430</u>	<u>6,418</u>
Net position at beginning of year	<u>22,838</u>	<u>46,617</u>	<u>16,684</u>	<u>63,008</u>	<u>49,920</u>
Net position at end of period	<u>\$ 23,236</u>	<u>\$ 48,637</u>	<u>\$ 17,710</u>	<u>\$ 65,438</u>	<u>\$ 56,338</u>

See accompanying notes to the financial statements.

General Mortgage Revenue Bonds II 2022 C	General Mortgage Revenue Bonds II 2024 A,B & C	General Mortgage Revenue Bonds II 2025 A	Total December 31, 2025
\$ 1,951	\$ 7,736	\$ 3,338	\$ 24,914
70	257	70	1,398
-	-	-	136
<u>70</u>	<u>257</u>	<u>70</u>	<u>1,534</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>2,021</u>	<u>7,993</u>	<u>3,408</u>	<u>26,448</u>
1,672	5,802	2,368	14,833
132	400	151	1,743
2	24	12	99
(30)	(100)	(10)	(180)
86	183	85	1,012
-	-	-	-
-	-	-	-
<u>1,862</u>	<u>6,309</u>	<u>2,606</u>	<u>17,507</u>
<u>159</u>	<u>1,684</u>	<u>802</u>	<u>8,941</u>
-	-	-	-
<u>341</u>	<u>(4,021)</u>	<u>98</u>	<u>2,414</u>
500	(2,337)	900	11,355
165	18,631	(25)	217,838
<u>\$ 665</u>	<u>\$ 16,294</u>	<u>\$ 875</u>	<u>\$ 229,193</u>

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

COLLATERALIZED VETERANS MORTGAGE BONDS

For the Year Ended December 31, 2025

(in thousands of dollars)

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Collateralized Bonds, 2023 1st Series	Collateralized Bonds, 2024 1st Series	Collateralized Bonds, 2025 1st Series
Operating Revenues					
Mortgage and loan revenue	\$ 411	\$ 1,502	\$ 1,198	\$ 2,026	\$ 2,612
Investment interest	35	106	60	72	21
Net change in the fair value of investments	3	86	12	18	-
Total investment revenue	38	192	72	90	21
Grant revenue	-	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	-	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	-	-
Other revenue	-	-	-	-	-
Total operating revenues	449	1,694	1,270	2,116	2,633
Operating expenses					
Interest	276	97	1,059	1,590	1,116
Mortgage and loan costs	36	105	67	93	129
Bond financing expenses	1	1	7	2	1,105
Provision for loan loss	(8)	(34)	14	9	988
Operations and administration	20	46	22	33	49
Rental housing operating expenses	-	-	-	-	-
Grant expense	-	-	-	-	-
Total operating expenses	325	215	1,169	1,727	3,387
Operating income (loss)	124	1,479	101	389	(754)
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	-	-	-	-	-
Interfund receipts (payments) for operations	20	(4,575)	24	34	1,153
Change in net position	144	(3,096)	125	423	399
Net position at beginning of year	6,315	65,865	(250)	993	-
Net position at end of period	\$ 6,459	\$ 62,769	\$ (125)	\$ 1,416	\$ 399

See accompanying notes to the financial statements.

**Total
December 31,
2025**

\$ 7,749

294

119

413

-

-

-

-

-

8,162

4,138

430

1,116

969

170

-

-

6,823

1,339

-

(3,344)

(2,005)

72,923

\$ 70,918

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

GOVERNMENTAL PURPOSE BONDS

For the Year Ended December 31, 2025

(in thousands of dollars)

	Governmental Purpose Bonds 2001 A & B	Total December 31, 2025
Operating Revenues		
Mortgage and loan revenue	\$ 2,174	\$ 2,174
Investment interest	256	256
Net change in the fair value of investments	207	207
Total investment revenue	<u>463</u>	<u>463</u>
Grant revenue	-	-
Housing rental subsidies	-	-
Rental revenue	-	-
Gain (loss) on disposal of capital assets	-	-
Other revenue	-	-
Total operating revenues	<u>2,637</u>	<u>2,637</u>
Operating expenses		
Interest	934	934
Mortgage and loan costs	229	229
Bond financing expenses	82	82
Provision for loan loss	22	22
Operations and administration	135	135
Rental housing operating expenses	-	-
Grant expense	-	-
Total operating expenses	<u>1,402</u>	<u>1,402</u>
Operating income (loss)	<u>1,235</u>	<u>1,235</u>
Non-operating expenses and transfers		
Contributions to State of Alaska or State agencies	-	-
Interfund receipts (payments) for operations	176	176
Change in net position	<u>1,411</u>	<u>1,411</u>
Net position at beginning of year	<u>125,447</u>	<u>125,447</u>
Net position at end of period	<u>\$ 126,858</u>	<u>\$ 126,858</u>

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

STATE CAPITAL PROJECT BONDS

For the Year Ended December 31, 2025

(in thousands of dollars)

	State Capital Project Bonds II	Total December 31, 2025
Operating Revenues		
Mortgage and loan revenue	\$ 40,970	\$ 40,970
Investment interest	1,417	1,417
Net change in the fair value of investments	1,199	1,199
Total investment revenue	<u>2,616</u>	<u>2,616</u>
Grant revenue	-	-
Housing rental subsidies	-	-
Rental revenue	-	-
Gain (loss) on disposal of capital assets	-	-
Other revenue	-	-
Total operating revenues	<u>43,586</u>	<u>43,586</u>
Operating expenses		
Interest	25,121	25,121
Mortgage and loan costs	2,194	2,194
Bond financing expenses	1,199	1,199
Provision for loan loss	170	170
Operations and administration	1,070	1,070
Rental housing operating expenses	-	-
Grant expense	-	-
Total operating expenses	<u>29,754</u>	<u>29,754</u>
Operating income (loss)	<u>13,832</u>	<u>13,832</u>
Non-operating expenses and transfers		
Contributions to State of Alaska or State agencies	-	-
Interfund receipts (payments) for operations	<u>(116,754)</u>	<u>(116,754)</u>
Change in net position	<u>(102,922)</u>	<u>(102,922)</u>
Net position at beginning of year	<u>355,086</u>	<u>355,086</u>
Net position at end of period	<u>\$ 252,164</u>	<u>\$ 252,164</u>

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

OTHER PROGRAM FUNDS

For the Year Ended December 31, 2025

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Operating Revenues					
Mortgage and loan revenue	\$ -	\$ -	\$ 108	\$ 766	\$ 874
Investment interest	108	106	17	86	317
Net change in the fair value of investments	-	-	-	1	1
Total investment revenue	<u>108</u>	<u>106</u>	<u>17</u>	<u>87</u>	<u>318</u>
Grant revenue	2,385	-	-	-	2,385
Housing rental subsidies	5,704	1,277	-	-	6,981
Rental revenue	5,392	1,251	-	-	6,643
Gain (loss) on disposal of capital assets	-	-	-	-	-
Other revenue	5	1	-	-	6
Total operating revenues	<u>13,594</u>	<u>2,635</u>	<u>125</u>	<u>853</u>	<u>17,207</u>
Operating expenses					
Interest	-	-	-	-	-
Mortgage and loan costs	-	-	13	58	71
Bond financing expenses	-	-	-	-	-
Provision for loan loss	-	-	6	30	36
Operations and administration	7,433	1,734	10	30	9,207
Rental housing operating expenses	5,609	1,203	-	-	6,812
Grant expense	-	-	-	-	-
Total operating expenses	<u>13,042</u>	<u>2,937</u>	<u>29</u>	<u>118</u>	<u>16,126</u>
Operating income (loss)	<u>552</u>	<u>(302)</u>	<u>96</u>	<u>735</u>	<u>1,081</u>
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	-	-	-	-	-
Interfund receipts (payments) for operations	(979)	2,133	(48)	30	1,136
Change in net position	<u>(427)</u>	<u>1,831</u>	<u>48</u>	<u>765</u>	<u>2,217</u>
Net position at beginning of year	<u>58,330</u>	<u>23,386</u>	<u>14,026</u>	<u>40,029</u>	<u>135,771</u>
Net position at end of period	<u>\$ 57,903</u>	<u>\$ 25,217</u>	<u>\$ 14,074</u>	<u>\$ 40,794</u>	<u>\$ 137,988</u>

See accompanying notes to the financial statements.

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total December 31, 2025
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 311	\$ 1,185
8	32	-	136	176	125	618
-	-	-	-	-	-	1
8	32	-	136	176	125	619
2,997	24,877	9,287	20,533	57,694	-	60,079
-	-	-	-	-	-	6,981
-	-	-	-	-	35	6,678
-	-	-	-	-	-	-
-	14	273	-	287	12	305
3,005	24,923	9,560	20,669	58,157	483	75,847
-	-	-	-	-	-	-
-	-	-	-	-	-	71
-	-	-	-	-	-	-
-	-	6	-	6	578	620
1,576	4,107	1,779	940	8,402	236	17,845
-	149	-	-	149	-	6,961
3,147	24,382	15,528	8,757	51,814	-	51,814
4,723	28,638	17,313	9,697	60,371	814	77,311
(1,718)	(3,715)	(7,753)	10,972	(2,214)	(331)	(1,464)
-	-	-	-	-	-	-
2,197	(6)	9,360	-	11,551	68	12,755
479	(3,721)	1,607	10,972	9,337	(263)	11,291
2,454	10,396	4,895	632	18,377	37,934	192,082
\$ 2,933	\$ 6,675	\$ 6,502	\$ 11,604	\$ 27,714	\$ 37,671	\$ 203,373

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED - ALL FUNDS

For the Six Months Ended December 31, 2025

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 6,100	\$ 11,170	\$ 23,054	\$ 6,349	\$ 1,966
Principal receipts on mortgages and loans	11,027	29,094	46,601	13,916	7,556
Disbursements to fund mortgages and loans	(336,644)	-	-	-	-
Receipts (payments) for interfund loan transfers	292,260	(48,642)	(29,748)	(111,585)	(9,901)
Mortgage and loan proceeds receipts	276,898	-	-	-	-
Mortgage and loan proceeds paid to trust funds	(266,258)	-	-	-	-
Payroll-related disbursements	(14,050)	-	-	-	-
Payments for goods and services	(3,920)	-	-	-	-
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	(22,694)	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	(11,141)	-	-	-	-
Net cash receipts (disbursements)	(68,422)	(8,378)	39,907	(91,320)	(379)
Non-capital financing activities					
Proceeds from bond issuance	-	-	9	100,109	-
Principal paid on bonds	-	(9,420)	(23,740)	(2,375)	(3,975)
Payment of bond issuance costs	-	-	(9)	(1,105)	-
Interest paid on bonds	-	(6,167)	(17,875)	(3,816)	(758)
Proceeds from short-term debt issuance	99,192	-	-	-	-
Payment of short term debt	(128,187)	-	-	-	-
Contributions to State of Alaska or State agencies	(1,583)	-	-	-	-
Transfers from (to) other funds	120,433	1,000	515	(3,625)	-
Net cash receipts (disbursements)	89,855	(14,587)	(41,100)	89,188	(4,733)
Capital financing activities					
Acquisition of capital assets	-	-	-	-	-
Proceeds from direct financing leases	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Investing activities					
Purchase of investments	(2,172,844)	(75,191)	(89,064)	(40,313)	(32,899)
Proceeds from maturity of investments	2,151,601	97,048	89,137	42,167	37,791
Interest received from investments	6,915	1,108	1,120	278	220
Net cash receipts (disbursements)	(14,328)	22,965	1,193	2,132	5,112
Net Increase (decrease) in cash	7,105	-	-	-	-
Cash at beginning of year	18,309	-	-	-	-
Cash at end of period	\$ 25,414	\$ -	\$ -	\$ -	\$ -

Combined State Capital Project Bonds	Combined Other Programs	Total December 31, 2025
\$ 38,138	\$ 778	\$ 87,555
66,232	2,494	176,920
-	-	(336,644)
(85,981)	(6,403)	-
-	-	276,898
-	-	(266,258)
-	(9,614)	(23,664)
-	(10,197)	(14,117)
-	29,362	29,362
-	20,504	20,504
-	(23,423)	(23,423)
-	22,694	-
-	(29,512)	(29,512)
(121)	10,042	(1,220)
18,268	6,725	(103,599)
144,378	-	244,496
(48,735)	-	(88,245)
(334)	-	(1,448)
(28,460)	-	(57,076)
-	-	99,192
-	-	(128,187)
-	-	(1,583)
(118,323)	-	-
(51,474)	-	67,149
-	(13,633)	(13,633)
3,304	-	3,304
3,304	(13,633)	(10,329)
(223,926)	(3,111)	(2,637,348)
252,805	6,142	2,676,691
902	620	11,163
29,781	3,651	50,506
(121)	(3,257)	3,727
196	53,250	71,755
\$ 75	\$ 49,993	\$ 75,482

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED - ALL FUNDS

For the Six Months Ended December 31, 2025

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 1,697	\$ 5,621	\$ 8,941	\$ 1,339	\$ 1,235
<i>Adjustments:</i>					
Depreciation expense	459	-	-	-	-
Provision for loan loss	301	160	(180)	969	22
Net change in the fair value of investments	(618)	(37)	(136)	(119)	(207)
Interfund receipts (payments) for operations	106,112	(1,359)	2,414	(3,344)	176
Interest received from investments	(6,915)	(1,108)	(1,120)	(278)	(220)
Interest paid on bonds and capital notes	-	6,167	17,875	3,816	758
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	(32,020)	(15,797)	18,990	(95,969)	(2,144)
Net increase (decrease) in assets, liabilities, and deferred resources	(137,438)	(2,025)	(6,877)	2,266	1
Net operating cash receipts (disbursements)	\$ (68,422)	\$ (8,378)	\$ 39,907	\$ (91,320)	\$ (379)

See accompanying notes to the financial statements.

Combined State Capital Project Bonds	Combined Other Programs	Total December 31, 2025
\$ 13,832	\$ (1,464)	\$ 31,201
-	2,838	3,297
170	620	2,062
(1,199)	(1)	(2,317)
(116,754)	12,755	-
(902)	(620)	(11,163)
28,460	-	57,076
(18,638)	(4,620)	(150,198)
113,299	(2,783)	(33,557)
\$ 18,268	\$ 6,725	\$ (103,599)

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

ADMINISTRATIVE FUND

For the Six Months Ended December 31, 2025

(in thousands of dollars)

	<u>Administrative Fund</u>	<u>Total December 31, 2025</u>
Cash Flows		
Operating activities		
Interest income on mortgages and loans	\$ 6,100	\$ 6,100
Principal receipts on mortgages and loans	11,027	11,027
Disbursements to fund mortgages and loans	(336,644)	(336,644)
Receipts (payments) for interfund loan transfers	292,260	292,260
Mortgage and loan proceeds receipts	276,898	276,898
Mortgage and loan proceeds paid to trust funds	(266,258)	(266,258)
Payroll-related disbursements	(14,050)	(14,050)
Payments for goods and services	(3,920)	(3,920)
Receipts from externally funded programs	-	-
Receipts from Federal HAP subsidies	-	-
Payments for Federal HAP subsidies	-	-
Interfund receipts (payments)	(22,694)	(22,694)
Grant payments to other agencies	-	-
Other operating cash receipts (payments)	(11,141)	(11,141)
Net cash receipts (disbursements)	<u>(68,422)</u>	<u>(68,422)</u>
Non-capital financing activities		
Proceeds from bond issuance	-	-
Principal paid on bonds	-	-
Payment of bond issuance costs	-	-
Interest paid on bonds	-	-
Proceeds from short-term debt issuance	99,192	99,192
Payment of short term debt	(128,187)	(128,187)
Contributions to State of Alaska or State agencies	(1,583)	(1,583)
Transfers from (to) other funds	120,433	120,433
Net cash receipts (disbursements)	<u>89,855</u>	<u>89,855</u>
Capital financing activities		
Acquisition of capital assets	-	-
Proceeds from direct financing leases	-	-
Net cash receipts (disbursements)	<u>-</u>	<u>-</u>
Investing activities		
Purchase of investments	(2,172,844)	(2,172,844)
Proceeds from maturity of investments	2,151,601	2,151,601
Interest received from investments	6,915	6,915
Net cash receipts (disbursements)	<u>(14,328)</u>	<u>(14,328)</u>
Net Increase (decrease) in cash	7,105	7,105
Cash at beginning of year	18,309	18,309
Cash at end of period	<u>\$ 25,414</u>	<u>\$ 25,414</u>

	<u>Administrative Fund</u>	<u>Total December 31, 2025</u>
Reconciliation		
Operating income (loss) to net cash		
Operating income (loss)	\$ 1,697	\$ 1,697
<i>Adjustments:</i>		
Depreciation expense	459	459
Provision for loan loss	301	301
Net change in the fair value of investments	(618)	(618)
Interfund receipts (payments) for operations	106,112	106,112
Interest received from investments	(6,915)	(6,915)
Interest paid on bonds and capital notes	-	-
		-
<i>Change in assets, liabilities and deferred resources:</i>		
Net (increase) decrease in mortgages and loans	(32,020)	(32,020)
Net increase (decrease) in assets, liabilities, and deferred resources	(137,438)	(137,438)
Net operating cash receipts (disbursements)	<u>\$ (68,422)</u>	<u>\$ (68,422)</u>

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

HOME MORTGAGE REVENUE BONDS

For the Six Months Ended December 31, 2025

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 1,281	\$ 1,079	\$ 1,062	\$ 1,448	\$ 1,714
Principal receipts on mortgages and loans	2,917	3,629	2,952	3,107	5,233
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	(6,967)	(3,790)	(3,294)	(4,301)	(7,779)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	-	-	-	-	-
Payments for goods and services	-	-	-	-	-
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	-	-	-	-	-
Net cash receipts (disbursements)	(2,769)	918	720	254	(832)
Non-capital financing activities					
Proceeds from bond issuance	-	-	-	-	-
Principal paid on bonds	(1,320)	(1,170)	(1,170)	(1,390)	(1,455)
Payment of bond issuance costs	-	-	-	-	-
Interest paid on bonds	(275)	(887)	(894)	(1,054)	(1,016)
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-	-
Transfers from (to) other funds	-	-	-	-	-
Net cash receipts (disbursements)	(1,595)	(2,057)	(2,064)	(2,444)	(2,471)
Capital financing activities					
Acquisition of capital assets	-	-	-	-	-
Proceeds from direct financing leases	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Investing activities					
Purchase of investments	(8,891)	(8,061)	(6,836)	(7,489)	(12,113)
Proceeds from maturity of investments	13,144	9,106	8,102	9,583	15,269
Interest received from investments	111	94	78	96	147
Net cash receipts (disbursements)	4,364	1,139	1,344	2,190	3,303
Net Increase (decrease) in cash	-	-	-	-	-
Cash at beginning of year	-	-	-	-	-
Cash at end of period	\$ -				

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total December 31, 2025
\$ 1,890	\$ 2,696	\$ 11,170
4,463	6,793	29,094
-	-	-
(7,800)	(14,711)	(48,642)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
(1,447)	(5,222)	(8,378)
-	-	-
(1,455)	(1,460)	(9,420)
-	-	-
(1,024)	(1,017)	(6,167)
-	-	-
-	-	-
-	-	-
-	1,000	1,000
(2,479)	(1,477)	(14,587)
-	-	-
-	-	-
-	-	-
(12,371)	(19,430)	(75,191)
16,150	25,694	97,048
147	435	1,108
3,926	6,699	22,965
-	-	-
-	-	-
\$ -	\$ -	\$ -

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

HOME MORTGAGE REVENUE BONDS

For the Six Months Ended December 31, 2025

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 972	\$ 93	\$ 45	\$ 259	\$ 640
<i>Adjustments:</i>					
Depreciation expense	-	-	-	-	-
Provision for loan loss	34	3	6	9	20
Net change in the fair value of investments	(8)	(5)	(5)	(5)	(9)
Interfund receipts (payments) for operations	117	157	155	189	220
Interest received from investments	(111)	(94)	(78)	(96)	(147)
Interest paid on bonds and capital notes	275	887	894	1,054	1,016
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	(3,379)	(294)	(583)	(856)	(1,945)
Net increase (decrease) in assets, liabilities, and deferred resources	(669)	171	286	(300)	(627)
Net operating cash receipts (disbursements)	\$ (2,769)	\$ 918	\$ 720	\$ 254	\$ (832)

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total December 31, 2025
\$ 737	\$ 2,875	\$ 5,621
-	-	-
37	51	160
(11)	6	(37)
216	(2,413)	(1,359)
(147)	(435)	(1,108)
1,024	1,017	6,167
(3,674)	(5,066)	(15,797)
371	(1,257)	(2,025)
<u>\$ (1,447)</u>	<u>\$ (5,222)</u>	<u>\$ (8,378)</u>

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

GENERAL MORTGAGE REVENUE BONDS

For the Six Months Ended December 31, 2025

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B	General Mortgage Revenue Bonds II 2022 A & B
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 700	\$ 2,334	\$ 1,891	\$ 3,143	\$ 2,640
Principal receipts on mortgages and loans	2,945	4,544	5,809	9,641	7,823
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	(766)	(3,777)	(3,140)	(6,945)	(6,397)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	-	-	-	-	-
Payments for goods and services	-	-	-	-	-
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	-	-	-	-	-
Net cash receipts (disbursements)	2,879	3,101	4,560	5,839	4,066
Non-capital financing activities					
Proceeds from bond issuance	-	-	-	-	-
Principal paid on bonds	(2,540)	(3,420)	(3,160)	(4,535)	(1,375)
Payment of bond issuance costs	-	-	-	-	-
Interest paid on bonds	(379)	(1,013)	(1,449)	(2,378)	(2,041)
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-	-
Transfers from (to) other funds	-	260	-	-	-
Net cash receipts (disbursements)	(2,919)	(4,173)	(4,609)	(6,913)	(3,416)
Capital financing activities					
Acquisition of capital assets	-	-	-	-	-
Proceeds from direct financing leases	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Investing activities					
Purchase of investments	(3,714)	(7,019)	(7,857)	(30,100)	(10,778)
Proceeds from maturity of investments	3,700	7,971	7,778	30,908	9,986
Interest received from investments	54	120	128	266	142
Net cash receipts (disbursements)	40	1,072	49	1,074	(650)
Net Increase (decrease) in cash	-	-	-	-	-
Cash at beginning of year	-	-	-	-	-
Cash at end of period	\$ -	\$ -	\$ -	\$ -	\$ -

General Mortgage Revenue Bonds II 2022 C	General Mortgage Revenue Bonds II 2024 A,B & C	General Mortgage Revenue Bonds II 2025 A	Total December 31, 2025
\$ 1,850	\$ 7,347	\$ 3,149	\$ 23,054
2,555	11,557	1,727	46,601
-	-	-	-
165	(8,133)	(755)	(29,748)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
4,570	10,771	4,121	39,907
-	-	9	9
(3,070)	(4,135)	(1,505)	(23,740)
-	-	(9)	(9)
(1,899)	(6,221)	(2,495)	(17,875)
-	-	-	-
-	-	-	-
-	-	-	-
255	-	-	515
(4,714)	(10,356)	(4,000)	(41,100)
-	-	-	-
-	-	-	-
-	-	-	-
(4,809)	(19,522)	(5,265)	(89,064)
4,884	18,839	5,071	89,137
69	268	73	1,120
144	(415)	(121)	1,193
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

GENERAL MORTGAGE REVENUE BONDS

For the Six Months Ended December 31, 2025

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B	General Mortgage Revenue Bonds II 2022 A & B
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 333	\$ 1,665	\$ 732	\$ 2,203	\$ 1,363
<i>Adjustments:</i>					
Depreciation expense	-	-	-	-	-
Provision for loan loss	(19)	(5)	(19)	(31)	34
Net change in the fair value of investments	-	-	-	(136)	-
Interfund receipts (payments) for operations	65	355	294	227	5,055
Interest received from investments	(54)	(120)	(128)	(266)	(142)
Interest paid on bonds and capital notes	379	1,013	1,449	2,378	2,041
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	1,881	475	1,879	3,071	(8,919)
Net increase (decrease) in assets, liabilities, and deferred resources	294	(282)	353	(1,607)	4,634
Net operating cash receipts (disbursements)	\$ 2,879	\$ 3,101	\$ 4,560	\$ 5,839	\$ 4,066

See accompanying notes to the financial statements.

General Mortgage Revenue Bonds II 2022 C	General Mortgage Revenue Bonds II 2024 A,B & C	General Mortgage Revenue Bonds II 2025 A	Total December 31, 2025
\$ 159	\$ 1,684	\$ 802	\$ 8,941
-	-	-	-
(30)	(100)	(10)	(180)
-	-	-	(136)
341	(4,021)	98	2,414
(69)	(268)	(73)	(1,120)
1,899	6,221	2,495	17,875
8,619	10,968	1,016	18,990
(6,349)	(3,713)	(207)	(6,877)
\$ 4,570	\$ 10,771	\$ 4,121	\$ 39,907

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COLLATERALIZED VETERANS MORTGAGE BONDS

For the Six Months Ended December 31, 2025

(in thousands of dollars)

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Collateralized Bonds, 2023 1st Series	Collateralized Bonds, 2024 1st Series	Collateralized Bonds, 2025 1st Series
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 381	\$ 1,417	\$ 1,111	\$ 1,928	\$ 1,512
Principal receipts on mortgages and loans	1,984	3,680	3,722	4,021	509
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	(1,371)	-	(5,069)	(5,147)	(99,998)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	-	-	-	-	-
Payments for goods and services	-	-	-	-	-
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	-	-	-	-	-
Net cash receipts (disbursements)	994	5,097	(236)	802	(97,977)
Non-capital financing activities					
Proceeds from bond issuance	-	-	-	-	100,109
Principal paid on bonds	(1,085)	(1,290)	-	-	-
Payment of bond issuance costs	-	-	-	-	(1,105)
Interest paid on bonds	(278)	(154)	(1,059)	(1,577)	(748)
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-	-
Transfers from (to) other funds	-	(4,621)	-	-	996
Net cash receipts (disbursements)	(1,363)	(6,065)	(1,059)	(1,577)	99,252
Capital financing activities					
Acquisition of capital assets	-	-	-	-	-
Proceeds from direct financing leases	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Investing activities					
Purchase of investments	(3,226)	(19,644)	(7,503)	(7,910)	(2,030)
Proceeds from maturity of investments	3,560	20,511	8,734	8,617	745
Interest received from investments	35	101	64	68	10
Net cash receipts (disbursements)	369	968	1,295	775	(1,275)
Net Increase (decrease) in cash	-	-	-	-	-
Cash at beginning of year	-	-	-	-	-
Cash at end of period	\$ -	\$ -	\$ -	\$ -	\$ -

**Total
December 31,
2025**

\$ 6,349
 13,916
 -
 (111,585)
 -
 -
 -
 -
 -
 -
 -
 -
 -
 -
 -
 -
(91,320)

100,109
 (2,375)
 (1,105)
 (3,816)
 -
 -
 -
 (3,625)
89,188

-
 -
 -

(40,313)
 42,167
 278
2,132

-
 -
\$ -

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COLLATERALIZED VETERANS MORTGAGE BONDS

For the Six Months Ended December 31, 2025

(in thousands of dollars)

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Collateralized Bonds, 2023 1st Series	Collateralized Bonds, 2024 1st Series	Collateralized Bonds, 2025 1st Series
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 124	\$ 1,479	\$ 101	\$ 389	\$ (754)
<i>Adjustments:</i>					
Depreciation expense	-	-	-	-	-
Provision for loan loss	(8)	(34)	14	9	988
Net change in the fair value of investments	(3)	(86)	(12)	(18)	-
Interfund receipts (payments) for operations	20	(4,575)	24	34	1,153
Interest received from investments	(35)	(101)	(64)	(68)	(10)
Interest paid on bonds and capital notes	278	154	1,059	1,577	748
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	744	3,344	(1,343)	(865)	(97,849)
Net increase (decrease) in assets, liabilities, and deferred resources	(126)	4,916	(15)	(256)	(2,253)
Net operating cash receipts (disbursements)	\$ 994	\$ 5,097	\$ (236)	\$ 802	\$ (97,977)

See accompanying notes to the financial statements.

**Total
December 31,
2025**

\$ 1,339

-

969

(119)

(3,344)

(278)

3,816

(95,969)

2,266

\$ (91,320)

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

GOVERNMENTAL PURPOSE BONDS

For the Six Months Ended December 31, 2025

(in thousands of dollars)

	Governmental Purpose Bonds 2001 A & B	Total December 31, 2025
Cash Flows		
Operating activities		
Interest income on mortgages and loans	\$ 1,966	\$ 1,966
Principal receipts on mortgages and loans	7,556	7,556
Disbursements to fund mortgages and loans	-	-
Receipts (payments) for interfund loan transfers	(9,901)	(9,901)
Mortgage and loan proceeds receipts	-	-
Mortgage and loan proceeds paid to trust funds	-	-
Payroll-related disbursements	-	-
Payments for goods and services	-	-
Receipts from externally funded programs	-	-
Receipts from Federal HAP subsidies	-	-
Payments for Federal HAP subsidies	-	-
Interfund receipts (payments)	-	-
Grant payments to other agencies	-	-
Other operating cash receipts (payments)	-	-
Net cash receipts (disbursements)	(379)	(379)
Non-capital financing activities		
Proceeds from bond issuance	-	-
Principal paid on bonds	(3,975)	(3,975)
Payment of bond issuance costs	-	-
Interest paid on bonds	(758)	(758)
Proceeds from short-term debt issuance	-	-
Payment of short term debt	-	-
Contributions to State of Alaska or State agencies	-	-
Transfers from (to) other funds	-	-
Net cash receipts (disbursements)	(4,733)	(4,733)
Capital financing activities		
Acquisition of capital assets	-	-
Proceeds from direct financing leases	-	-
Net cash receipts (disbursements)	-	-
Investing activities		
Purchase of investments	(32,899)	(32,899)
Proceeds from maturity of investments	37,791	37,791
Interest received from investments	220	220
Net cash receipts (disbursements)	5,112	5,112
Net Increase (decrease) in cash	-	-
Cash at beginning of year	-	-
Cash at end of period	\$ -	\$ -

	Governmental Purpose Bonds 2001 A & B	Total December 31, 2025
Reconciliation		
Operating income (loss) to net cash		
Operating income (loss)	\$ 1,235	\$ 1,235
<i>Adjustments:</i>		
Depreciation expense	-	-
Provision for loan loss	22	22
Net change in the fair value of investments	(207)	(207)
Interfund receipts (payments) for operations	176	176
Interest received from investments	(220)	(220)
Interest paid on bonds and capital notes	758	758
		-
<i>Change in assets, liabilities and deferred resources:</i>		
Net (increase) decrease in mortgages and loans	(2,144)	(2,144)
Net increase (decrease) in assets, liabilities, and deferred resources	1	1
Net operating cash receipts (disbursements)	\$ (379)	\$ (379)

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

STATE CAPITAL PROJECT BONDS

For the Six Months Ended December 31, 2025

(in thousands of dollars)

	State Capital Project Bonds II	Total December 31, 2025
Cash Flows		
Operating activities		
Interest income on mortgages and loans	\$ 38,138	\$ 38,138
Principal receipts on mortgages and loans	66,232	66,232
Disbursements to fund mortgages and loans	-	-
Receipts (payments) for interfund loan transfers	(85,981)	(85,981)
Mortgage and loan proceeds receipts	-	-
Mortgage and loan proceeds paid to trust funds	-	-
Payroll-related disbursements	-	-
Payments for goods and services	-	-
Receipts from externally funded programs	-	-
Receipts from Federal HAP subsidies	-	-
Payments for Federal HAP subsidies	-	-
Interfund receipts (payments)	-	-
Grant payments to other agencies	-	-
Other operating cash receipts (payments)	(121)	(121)
Net cash receipts (disbursements)	18,268	18,268
Non-capital financing activities		
Proceeds from bond issuance	144,378	144,378
Principal paid on bonds	(48,735)	(48,735)
Payment of bond issuance costs	(334)	(334)
Interest paid on bonds	(28,460)	(28,460)
Proceeds from short-term debt issuance	-	-
Payment of short term debt	-	-
Contributions to State of Alaska or State agencies	-	-
Transfers from (to) other funds	(118,323)	(118,323)
Net cash receipts (disbursements)	(51,474)	(51,474)
Capital financing activities		
Acquisition of capital assets	-	-
Proceeds from direct financing leases	3,304	3,304
Net cash receipts (disbursements)	3,304	3,304
Investing activities		
Purchase of investments	(223,926)	(223,926)
Proceeds from maturity of investments	252,805	252,805
Interest received from investments	902	902
Net cash receipts (disbursements)	29,781	29,781
Net Increase (decrease) in cash	(121)	(121)
Cash at beginning of year	196	196
Cash at end of period	\$ 75	\$ 75

	State Capital Project Bonds II	Total December 31, 2025
Reconciliation		
Operating income (loss) to net cash		
Operating income (loss)	\$ 13,832	\$ 13,832
<i>Adjustments:</i>		
Depreciation expense	-	-
Provision for loan loss	170	170
Net change in the fair value of investments	(1,199)	(1,199)
Interfund receipts (payments) for operations	(116,754)	(116,754)
Interest received from investments	(902)	(902)
Interest paid on bonds and capital notes	28,460	28,460
<i>Change in assets, liabilities and deferred resources:</i>		
Net (increase) decrease in mortgages and loans	(18,638)	(18,638)
Net increase (decrease) in assets, liabilities, and deferred resources	113,299	113,299
Net operating cash receipts (disbursements)	\$ 18,268	\$ 18,268

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

OTHER PROGRAM FUNDS

For the Six Months Ended December 31, 2025

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ -	\$ -	\$ 96	\$ 682	\$ 778
Principal receipts on mortgages and loans	-	-	388	2,106	2,494
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	-	-	(1,040)	(5,363)	(6,403)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	(4,756)	(1,041)	-	-	(5,797)
Payments for goods and services	(6,741)	(1,307)	-	-	(8,048)
Receipts from externally funded programs	9,404	1,403	-	-	10,807
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	(1,917)	768	-	-	(1,149)
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	4,947	1,077	-	-	6,024
Net cash receipts (disbursements)	937	900	(556)	(2,575)	(1,294)
Non-capital financing activities					
Proceeds from bond issuance	-	-	-	-	-
Principal paid on bonds	-	-	-	-	-
Payment of bond issuance costs	-	-	-	-	-
Interest paid on bonds	-	-	-	-	-
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-	-
Transfers from (to) other funds	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Capital financing activities					
Acquisition of capital assets	(1,477)	(821)	-	-	(2,298)
Proceeds from direct financing leases	-	-	-	-	-
Net cash receipts (disbursements)	(1,477)	(821)	-	-	(2,298)
Investing activities					
Purchase of investments	-	-	(454)	(2,657)	(3,111)
Proceeds from maturity of investments	-	-	993	5,149	6,142
Interest received from investments	109	107	17	83	316
Net cash receipts (disbursements)	109	107	556	2,575	3,347
Net Increase (decrease) in cash	(431)	186	-	-	(245)
Cash at beginning of year	17,007	14,941	-	-	31,948
Cash at end of period	\$ 16,576	\$ 15,127	\$ -	\$ -	\$ 31,703

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Other Funds or Programs Subtotal	Alaska Corporation for Affordable Housing	Total December 31, 2025
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 778
-	-	-	-	-	-	2,494
-	-	-	-	-	-	-
-	-	-	-	-	-	(6,403)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(302)	(2,932)	(415)	-	(3,649)	(168)	(9,614)
(381)	(515)	(260)	(931)	(2,087)	(62)	(10,197)
3,569	5,952	9,034	-	18,555	-	29,362
-	20,504	-	-	20,504	-	20,504
-	(23,423)	-	-	(23,423)	-	(23,423)
142	(735)	10,093	14,324	23,824	19	22,694
(3,345)	(959)	(17,847)	(7,361)	(29,512)	-	(29,512)
-	14	(105)	-	(91)	4,109	10,042
(317)	(2,094)	500	6,032	4,121	3,898	6,725
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(500)	(10,835)	(11,335)	-	(13,633)
-	-	-	-	-	-	-
-	-	(500)	(10,835)	(11,335)	-	(13,633)
-	-	-	-	-	-	(3,111)
-	-	-	-	-	-	6,142
8	32	-	136	176	128	620
8	32	-	136	176	128	3,651
(309)	(2,062)	-	(4,667)	(7,038)	4,026	(3,257)
741	3,073	-	10,989	14,803	6,499	53,250
\$ 432	\$ 1,011	\$ -	\$ 6,322	\$ 7,765	\$ 10,525	\$ 49,993

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

OTHER PROGRAM FUNDS

For the Six Months Ended December 31, 2025

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 552	\$ (302)	\$ 96	\$ 735	\$ 1,081
<i>Adjustments:</i>					
Depreciation expense	1,992	626	-	-	2,618
Provision for loan loss	-	-	6	30	36
Net change in the fair value of investments	-	-	-	(1)	(1)
Interfund receipts (payments) for operations	(979)	2,133	(48)	30	1,136
Interest received from investments	(109)	(107)	(17)	(83)	(316)
Interest paid on bonds and capital notes	-	-	-	-	-
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	-	-	(563)	(2,990)	(3,553)
Net increase (decrease) in assets, liabilities, and deferred resources	(519)	(1,450)	(30)	(296)	(2,295)
Net operating cash receipts (disbursements)	\$ 937	\$ 900	\$ (556)	\$ (2,575)	\$ (1,294)

See accompanying notes to the financial statements.

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Other Funds or Programs Subtotal	Alaska Corporation for Affordable Housing	Total December 31, 2025
\$ (1,718)	\$ (3,715)	\$ (7,753)	\$ 10,972	\$ (2,214)	\$ (331)	\$ (1,464)
-	220	-	-	220	-	2,838
-	-	6	-	6	578	620
-	-	-	-	-	-	(1)
2,197	(6)	9,360	-	11,551	68	12,755
(8)	(32)	-	(136)	(176)	(128)	(620)
-	-	-	-	-	-	-
-	-	6	-	6	(1,073)	(4,620)
(788)	1,439	(1,119)	(4,804)	(5,272)	4,784	(2,783)
\$ (317)	\$ (2,094)	\$ 500	\$ 6,032	\$ 4,121	\$ 3,898	\$ 6,725

Other Financial Information

Entity-wide amounts for fiscal years ending June 30 are presented below for informational purposes (in thousands):

	2025	2024	2023	2022	2021
Assets					
Cash	\$ 71,755	\$ 88,608	\$ 80,205	\$ 84,731	\$ 108,769
Investments	599,256	634,502	784,796	981,786	1,033,065
Accrued interest receivable	16,273	15,104	16,664	14,791	14,850
Mortgage loans, notes and other loans	3,897,110	3,569,388	3,229,243	3,018,160	2,995,561
Net investment in direct financing lease	-	-	-	-	20,287
Capital assets, net	76,718	68,894	71,542	75,158	81,177
Other assets	73,331	87,040	70,344	66,358	38,510
Total Assets	4,734,443	4,463,536	4,252,794	4,240,984	4,292,219
Deferred Outflow of Resources					
	49,413	52,628	71,553	111,512	210,255
Liabilities					
Bonds and notes payable	2,802,648	2,618,772	2,347,283	2,277,492	2,366,206
Short term debt	127,493	45,938	128,476	149,771	131,697
Accrued interest payable	8,954	12,297	7,339	6,013	6,681
Other liabilities	103,104	138,634	150,617	202,682	211,197
Derivative instrument - interest rate swaps	30,229	27,057	39,013	73,728	168,250
Total Liabilities	3,072,428	2,842,698	2,672,728	2,709,686	2,883,031
Deferred Inflow of Resources					
	12,200	20,630	23,369	43,349	3,512
Total Net Position	\$ 1,699,228	\$ 1,652,836	\$ 1,628,250	\$ 1,599,461	\$ 1,615,931
Operating Revenues					
Mortgage and loans revenue	\$ 177,021	\$ 147,583	\$ 127,895	\$ 120,874	\$ 132,258
Investment interest	33,314	43,959	35,962	3,440	5,669
Net change in fair value of investments	2,953	282	3,158	820	(2,158)
Net change of hedge termination	-	-	281	875	579
Total Investment Revenue	36,267	44,241	39,401	5,135	4,090
Externally funded programs	157,013	105,067	156,657	283,006	154,023
Rental	12,267	12,307	11,509	11,280	11,219
Other	8,472	3,021	3,165	4,347	4,490
Total Operating Revenues	391,040	312,219	338,627	424,642	306,080
Operating Expenses					
Interest	99,980	91,885	79,853	60,780	70,987
Mortgage and loan costs	14,992	13,814	12,501	11,767	11,342
Operations and administration	66,059	53,648	47,774	48,911	50,360
Financing expenses	5,721	6,206	4,834	4,923	6,033
Provision for loan loss	10,113	7,317	1,640	485	(2,761)
Housing grants and subsidies	127,681	90,592	138,014	276,268	143,129
Rental housing operating expenses	16,778	18,506	17,175	19,274	17,012
Total Operating Expenses	341,324	281,968	301,791	422,408	296,102
Operating Income (Loss)	49,716	30,251	36,836	2,234	9,978
Non-Operating & Special Item					
Contribution to State or State agency	(3,324)	(5,665)	(8,047)	(933)	(1,011)
Change in Net Position	\$ 46,392	\$ 24,586	\$ 28,789	\$ 1,301	\$ 8,967